



Report to the Auburn City Council

Action Item
Agenda Item No. **8**

(TR)
City Manager Approval

To: Mayor and City Council Members
From: Bernie Schroeder, Director of Public Works (BS)
 Megan Siren, Administrative Analyst (MS)
Date: June 23, 2014
Subject: Sewer Rate Study Update Adoption

The Issue

Shall the City of Auburn adopt the Sewer Rate Study Update, supporting the improvements to the Auburn Wastewater Treatment Plant and collection system and the Regional Sewer Common Pipeline Project?

Conclusion and Recommendation

Staff recommends that the City Council,

1. Conduct a Public Hearing with respect to proposed sewer service charges as set forth in the notice of public hearing.
2. BY MOTION introduce and hold a first reading for an ORDINANCE amending Title V, Chapter 52 to the Auburn Municipal Code.
3. BY MOTION adopt an urgency ORDINANCE amending Title V, Chapter 52 to the Auburn Municipal Code.

Background

On April 14, 2014, staff brought forth a status up regarding the Sewer Rate Study & Analysis update being completed by G Aronow Consulting. The Analysis identifies needed improvements to keep the wastewater treatment plant and sewer collection system in compliance with the California State Water Quality Control Board and the Federal Environmental Protection Agency requirements along with operating system improvements designed to avoid future system costs.

On April 28, 2014, the City Council preliminarily accepted the Sewer Rate Study Update produced by G Aronow Consulting and also directed staff to give notice to the residents of the City of Auburn regarding the proposed rate increase. The Sewer Rate Study Update shows the increase to the monthly Sewer Service Charge to be \$5.63 per Equivalent Dwelling Unit (EDU) over the existing rate for fiscal year 2014/15 with a rate adjustment of approximately 4.04% per year over the 5 year period. As required by Proposition 218 (Article XIIIID of the California Constitution) City Staff mailed out the notices to the owners of each parcel in the City of Auburn. A copy of the notice is included as Attachment A.

Analysis

The City last conducted a Sewer Rate Study in 2007 where the Council approved a 5 year rate schedule. Proposition 218 requires a Sewer Rate Study Update prior to any future Sewer Service Charges changes. The automatic rate adjustment to the current Sewer Service Charges expired on June 30, 2013. By not replacing the sewer rate necessary repayment of projected annual debt service related to capital projects will go unfunded. In particular, the Oxidation Ditch Improvement Project and the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects will not have a designated funding source. The Sewer Service Charges also needs to be adjusted for increased costs of operating and maintaining the sewer system (estimated at approximately 3-4% per year).

Sewer Billing Methodology

There are a number of methodologies the City can utilize to assign sewer rates to its customers. Sewer rates are currently a flat rate based on an equivalent dwelling unit (EDU) which refers to a unit of measure that standardizes all land use types (housing, retail, office, etc.) to the level of demand created by one single-family housing unit. In the case of Auburn, 1 EDU is a single family home having 2.3 people per single family home (developed from 2012 City of Auburn census data) and each person is assumed to generate 80 gallons of wastewater per day (developed from WWTP flow records). One EDU also assumes wastewater strength of around 300 mg/L of biochemical oxygen demand which is a measure of the organic content of the water. EDU factors are assigned to customer classifications based on their relative flow and waste-strength compared to those EDU numbers. The City has 14 types of residential classifications (single family home, apartment, duplex, etc.) and 30 non-residential classifications (office, restaurant, car wash, etc.). The customer classification list and EDU factors were initially established in 1995 and have been modified slightly at each rate study. The EDU factors were originally based on guidelines from the *State Water Resources Control Board Revenue Program Guidelines*, last updated in March 1998. The cities of Roseville, SPMUD, Placer County, Folsom, and Sacramento all utilize an EDU basis for billing their customers.

Since around 2010 water providers have been required to install water meters and bill customers based on consumption of their potable water usage. Some cities have also charged wastewater rates based on water consumption (typically February meter data is used when outdoor water usage is minimized). The City of Davis charges all its customers based on the previous year's water meter data. The Cities of Woodland and Grass Valley charge its non-residential customers based on water meter data and residential customers are charged a flat rate. Many cities in the Bay Area utilize this approach using the water meter data. About half the cities in California utilize a flat rate EDU billing methodology and the other half base sewer rates on water meter records.

The City could utilize any of these approaches for billing its customers. However none are perfect. The flat rate "EDU methodology" has worked well for the City, is commonly used; allows the users to know their annual costs for sewer service, provides a stable revenue base, and represents the typical water use in Auburn. Most of the wastewater in town is generated by single family homes and the EDU calculation does not allow the City to distinguish between one or several people generating wastewater in each house. In contrast, utilizing winter water meter data to base wastewater rates is a better indication of actual water use, but is complicated to determine and implement and will increase costs to administer the collection of sewer rates. Each year the City would need to receive previous year's winter meter data from PCWA and recalculate each user's monthly wastewater rate. Residential water meters include both indoor and outdoor water use. So, as

an example, households that watered their yards this last February because of the drought would see an increase in their next year's sewer rates.

At the April 28, 2014 City Council meeting, the Council considered options associated with transitioning to consumption based system and acted to move forward with the existing sewer billing methodology.

Review of Restaurant EDU Factor

For this update to the sewer rates, staff recommends to continue to utilize the EDU methodology for the reasons described above. However, the sewer rate study recommends a modification to the current rate structure for restaurants that was adopted in 2007 to reflect recent industry practices for EDU calculation. This restaurant rate is similar to that used by SPMUD, Roseville, and Sacramento. Revised EDU's assigned to non-residential uses are shown below.

	Proposed	Old
❖ Restaurant	2.0 per 1,000 sq. ft.	2.5 per 1,000 sq. ft.
❖ Restaurant Take Out Only	1.7 per 1,000 sq. ft.	2.0 per 1,000 sq. ft.

This change reduces restaurant revenue received and, as a result, shifts some costs over to the other categories. For instance, single family homes rates are impacted by this change by about 25 cents per month.

Monthly Sewer Use Charges

The projected increase in sewer rates is dependent on the availability of reserves in the City's Sewer Enterprise Fund and how much of the reserves the City decides to use toward the upgrade project. As a means to minimize the initial increase to monthly sewer rates while maintaining sufficient reserves in the City's Sewer Fund, staff recommends using \$5.1 million of the \$7.6 million currently held in reserves. The fund will maintain a \$1 million in operating reserves towards unanticipated capital requirements, higher-than-expected increases in operating costs and future regulatory permit requirements. The projected total increase to the City's sewer rates are \$5.63 per month per EDU making the sewer rates \$67.01 per month per EDU. The rate study recommends a five year rate schedule for fiscal year 2014/15 through fiscal year 2018-19 as shown in Attachment D. Additionally, as set forth in the notice of public hearing, the Council may, in future years, adjust the rates by up to the change in the consumer price index, capped at 5%. This CPI-based adjustment would require adoption of an ordinance, after a hearing, but would not require that the City send full mailed notice pursuant to Proposition 218 as it did this year. The City Council annually reviews the Monthly Sewer Use Charges during the budget approval process.

Response to Notice

The City mailed out approximately 4,800 notices to all parcels connected to the Sewer within the City pursuant to State Law, Proposition 218 which requires that each property owner that is receiving sewer service from the City be noticed 45 days prior to the public hearing. The notice that was mailed to all sewer customers is attached to the staff report as Attachment A.

The notice invited written protests and comments and the City has received phone calls and letters from concerned citizens requesting more information regarding the sewer rate increase or opposing the sewer rate increase. The City has received 115 letters to date (June 18, 2014) with the majority

opposing the rate increase due to being on a fixed income; we received 4 protest letters from parcels that are not served by City sewer. See Attachment G for a summary of the letters.

The majority of the letters received oppose the rate increase because the individuals are retired on a fixed income and the rate would cause a hardship for the individual. Senior citizens were curious if the City was going or does offer a senior citizen discount. Proposition 218 requires each person's rate to be proportionate to the cost of serving them and therefore the City cannot fund a senior citizen discount with sewer rates paid by others out of the enterprise fund.

Capital Projects

The projected increase in the sewer rates will fund the Oxidation Ditch Improvement Project and the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects and operating expenses. The following chart shows the components of the projected monthly sewer rate and how the use of the recommended reserve funding affects the monthly sewer rate.

Breakdown of Calculated Rate by Cost Component for FY 2014-15

	FY 2014-15 Monthly Rate/EDU <u>Equivalent</u>
Operations & Maintenance	\$31.61
Existing Debt Service	\$10.39
General Reserve	\$2.17
Subtotal	\$44.16
Capital	
Depreciation/Capital Projects	\$17.46
Oxidation Ditch Project - Debt Service [1] [3]	\$6.44
Regional Pipeline Contribution - Debt Service [2] [3]	\$3.44
Subtotal	\$71.50
Reserve Fund Drawdown- Debt Service Equivalent [4]	(\$4.49)
Total	\$67.01
Total Estimated EDUs	6,849

[1] Assumed Project Cost - \$6.9M plus \$400K for other Capital Projects

[2] Assumed Project Cost - \$3.9M

[3] Assumes loan terms of 30 years and 5% interest rate

[4] Assumes Reserve Fund drawdown of \$5.1M

The Regional Sewer Common Pipeline Project contributes to \$3.44 per month, but collectively with the use of reserves and the other capital projects, the total rate is recommended to increase by \$5.63. The Regional Sewer Common Pipeline Project is not eligible for State Revolving Loan Fund monies as the State only funds whole projects and not portions of projects.

Enterprise Fund

The Sewer Fund is an enterprise fund in the City's Annual Budget. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Ordinance and Urgency Ordinance

The mechanism for adopting the rate increase is the adoption of an ordinance setting the rates. The recommended ordinance sets the rates. In order to have the new rates be effective as of the start of fiscal year 2014-15, the ordinance is before the City Council as an urgency ordinance that will not require two readings and a thirty-day waiting period before effectiveness. It is also before the Council as a traditional ordinance. Aside from the urgency language and findings, both versions of the ordinance are identical.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with the Staff Recommendation : Assumes \$5.1M in Reserve Drawdown, \$6.1M in bond financing, defers a portion of the capital projects to collection system until 2016 or later, revises the EDU for restaurants, provides for \$175,000 in additional operational costs = \$5.63/month increase
2. Direct staffs to continue with Staff Recommendation, but in addition, return to Council prior to July 2015 with costs associated with changing the methodology of billing sewer to consumption based.
3. Adopt an amendment ordinance as proposed by City Council.
4. Do not proceed with staff recommendation and provide specific direction to the City Manager how to proceed in funding the wastewater operation sans a dedicated revenue source.

Adoption of the ordinance and of the urgency ordinance each require **four** affirmative votes.

Fiscal Impact

At the point of approval, the Sewer Rate will fund the Capital and Operational needs for the Sewer Fund over the next 5 years. The rate, if approved will fund approximately \$3.0 million in annual operating costs and \$3.0 million annually in capital costs including depreciation and existing debt and estimated future debt service, adjusted for inflation until 2018/19. After 2018/19 no further rate increases are scheduled and any future rate increases will require the City Council to undertake an updated rate study. The recommended increases to the sewer use charges are necessary to provide funding for such improvements as the Oxidation Ditch Improvement Project, the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects, annual operating costs and ongoing future capital requirements. Absent increases to the use charges and connection fees, the City would be unable to perform necessary facility improvements, ultimately exposing the City to financial

sanctions. Additionally, existing Sewer Fund reserves will be eroded by ongoing operating and capital costs, potentially rendering the Sewer Fund insolvent.

Attachments:

Attachment A: Proposition 218 Notice

Attachment B: 2014 Sewer Rate Study Update

Attachment C: 2007 Sewer Rate Study

Attachment D: Schedule of Sewer Service Charges

Attachment E: Ordinance

Attachment F: Urgency Ordinance

Attachment G: Summary of Protest Letters



SPECIAL NOTICE

A Special Legal Notice in Conformance with Proposition 218

**ON JUNE 23, 2014 AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS AT 1225 LINCOLN WAY,
AUBURN, CA 95603 THE CITY COUNCIL WILL HOLD A PUBLIC HEARING ON SEWER RATE
INCREASES**

Introduction

The City of Auburn is proposing to increase sewer rates to maintain, repair and upgrade the sewer system needed for proper operations and regulatory compliance, and to meet operational and capital requirements. The rate increase, proposed to be a five year rate schedule is depicted in this notice for your reference.

This Notice of Public Hearing provides information regarding proposed rate adjustments to property owners served by the City of Auburn pursuant to the requirements of Proposition 218. The proposed rate adjustments will be presented to the City Council for adoption on June 23, 2014 at 6:00 p.m. in the City Council Chambers. This Notice also provides information on how rates are calculated, the reasons for the required rate adjustments, and how customers can file a protest against the proposed rate adjustments.

The City hired an independent consulting firm (G Aronow Consulting) to provide a comprehensive rate analysis that provides sufficient revenue to meet operating and capital improvement needs for the sewer utility.

Background

The City's sewer systems are operated in conformance with Federal, State and Local regulations and permits. To meet current and anticipated regulatory requirements the City's sewer infrastructure must be upgraded and funds established to replace or repair assets used in providing these essential services in a safe, healthy and reliable manor.

Sewer rates are the primary source of revenue to operate the City's sewer systems; reliance on General Fund subsidies is discouraged. These rates generate the revenue to operate the systems and invest in necessary upgrades. The City last conducted a sewer rate study in 2007. The proposed increases are necessary to pay for (i) new state and federal regulatory requirements for the protection of the environment, (ii) repair and replacement of aging sewer lines and treatment plant improvements, (iii) purchase of capacity in the Regional Sewer Common Pipeline Project and (iv) inflation since 2013.

CAPITAL PROJECTS

The following are the main projects that the City will be completing over the next five years: Regional Sewer Common Pipeline Project, New Oxidation Ditch at the Wastewater Treatment Plant, Lift Station Upgrades and Sewer Collection System upgrades.

SEWER SERVICE CHARGES

The proposed sewer service charges are for fiscal year 2014-15 and further increases are proposed for each year through 2018-19. The following are the basic rates for FY 2014-15 for residential customers who do not require a lift station:

	Proposed Monthly Charge
Single Family Home (No Lift Station)	\$67.01
Duplex/Triplex/Condo (Per Dwelling Unit)	\$51.60
Multiple Dwelling (Apartments (Per Dwelling Unit)	\$47.58

In Fiscal Year 2015-16 and future years, the City Council may increase the proposed rates for inflation by the change in the Consumer Price Index, but capped at 5% per year.

Attachment A

**City of Auburn
Sewer Enterprise Fund
Current vs. Calculated Rate**

		EDU	Current	Calculated Rates				
		Factor	Rate	2014-15	2015-16	2016-17	2017-18	2018-19
Residential								
Single Family	per unit	1.00	\$ 61.38	\$ 67.01	\$ 69.81	\$ 72.56	\$ 75.49	\$ 78.62
Single Family w/ 1 Sewer Lift Station	per unit	1.22	\$ 74.88	\$ 81.75	\$ 85.16	\$ 88.52	\$ 92.09	\$ 95.91
Single Family w/2 Sewer Lift Stations	per unit	1.43	\$ 87.77	\$ 95.83	\$ 99.83	\$ 103.75	\$ 107.95	\$ 112.42
Duplex/Triplex/Condo/Townhome	per unit	0.77	\$ 47.26	\$ 51.60	\$ 53.75	\$ 55.87	\$ 58.12	\$ 60.53
Duplex/Triplex/Condo/Townhome w/ 1 Sewer Lift Station	per unit	0.99	\$ 60.77	\$ 66.35	\$ 69.12	\$ 71.84	\$ 74.74	\$ 77.84
Duplex/Triplex/Condo/Townhome w/ 2 Sewer Lift Station	per unit	1.20	\$ 73.66	\$ 80.42	\$ 83.78	\$ 87.07	\$ 90.59	\$ 94.35
Multiple Dwelling	per unit	0.71	\$ 43.58	\$ 47.58	\$ 49.57	\$ 51.52	\$ 53.60	\$ 55.82
Multiple Dwelling w/ 1 Sewer Lift Station	per unit	0.99	\$ 60.77	\$ 66.35	\$ 69.12	\$ 71.84	\$ 74.74	\$ 77.84
Single Family w/ CDBG Reduction*	per unit	0.79	\$ 48.38	\$ 52.82	\$ 55.02	\$ 57.19	\$ 59.50	\$ 61.97
Single Family w/ 1 Sewer Lift Station w/ CDBG Reduction*	per unit	1.01	\$ 61.88	\$ 67.56	\$ 70.38	\$ 73.15	\$ 76.10	\$ 79.26
Single Family w/ 2 Sewer Lift Station w/ CDBG Reduction*	per unit	1.22	\$ 74.77	\$ 81.63	\$ 85.04	\$ 88.39	\$ 91.96	\$ 95.77
Duplex/Triplex/Condo/Townhome w/ CDBG Reduction*	per unit	0.56	\$ 34.26	\$ 37.41	\$ 38.97	\$ 40.50	\$ 42.14	\$ 43.88
Single Family w/o CDBG & w/ CDBG Reduction*	per unit	1.79	\$ 109.76	\$ 119.84	\$ 124.84	\$ 129.75	\$ 134.99	\$ 140.59
Multiple Dwelling w/ CDBG Reduction*	per unit	0.50	\$ 30.58	\$ 33.39	\$ 34.78	\$ 36.15	\$ 37.61	\$ 39.17
*Properties receive a \$13/month reduction from previously received Community Development Block Grant (CDBG) funds. Current program funding ends in FY 2019/2020.								
Non-Residential								
Auto Dealership	per 1,000 SF	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Bank/Financial Institution	per 1,000 SF	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
Bakery	per 1,000 SF	1.70	\$ 104.35	\$ 113.92	\$ 118.68	\$ 123.35	\$ 128.33	\$ 133.65
Bar	per 1,000 SF	0.70	\$ 42.97	\$ 46.91	\$ 48.87	\$ 50.79	\$ 52.84	\$ 55.03
Dry Cleaner	per 1,000 SF	1.70	\$ 104.35	\$ 113.92	\$ 118.68	\$ 123.35	\$ 128.33	\$ 133.65
Hall, Lodge, Auditorium	per 1,000 SF	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
Health Studio, Gym	per 1,000 SF	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
Market w/ Disposal Unit	per 1,000 SF	1.00	\$ 61.38	\$ 67.10	\$ 69.81	\$ 72.56	\$ 75.49	\$ 78.62
Market w/o Disposal Unit	per 1,000 SF	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Medical/Dental Office	per 1,000 SF	0.40	\$ 24.55	\$ 26.81	\$ 27.92	\$ 29.02	\$ 30.20	\$ 31.45
Business Office	per 1,000 SF	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Place of Worship	per 1,000 SF	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Public Agency	per 1,000 SF	0.60	\$ 36.83	\$ 40.21	\$ 41.89	\$ 43.53	\$ 45.29	\$ 47.17
Mortuary	per Slumber Room	1.30	\$ 79.79	\$ 87.12	\$ 90.75	\$ 94.32	\$ 98.14	\$ 102.21
Restaurant	per 1,000 SF	2.00	\$ 153.45	\$ 134.03	\$ 139.62	\$ 145.12	\$ 150.98	\$ 157.24
Restaurant, Take Out Only	per 1,000 SF	1.70	\$ 122.76	\$ 113.92	\$ 118.68	\$ 123.35	\$ 128.33	\$ 133.65
Retail	per 1,000 SF	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Warehouse	per 1,000 SF	0.10	\$ 6.14	\$ 6.70	\$ 6.98	\$ 7.26	\$ 7.55	\$ 7.86
Used Car Lot	per 10 fixtures	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Car Wash	per Stall	0.70	\$ 42.97	\$ 46.91	\$ 48.87	\$ 50.79	\$ 52.84	\$ 55.03
Barber/Beauty Shop	per chair	0.20	\$ 12.28	\$ 13.40	\$ 13.96	\$ 14.51	\$ 15.10	\$ 15.72
Hotel, Motel	per sleeping room	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
Self Service Laundry	per machine	0.50	\$ 30.69	\$ 33.51	\$ 34.91	\$ 36.28	\$ 37.74	\$ 39.31
Garage	per Bay	0.10	\$ 6.14	\$ 6.70	\$ 6.98	\$ 7.26	\$ 7.55	\$ 7.86
Rest Home/Boarding House	per Bed	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
School	Per 100 Students	1.00	\$ 61.38	\$ 67.10	\$ 69.81	\$ 72.56	\$ 75.49	\$ 78.62
Service Station	Per Pump	0.10	\$ 6.14	\$ 6.70	\$ 6.98	\$ 7.26	\$ 7.55	\$ 7.86
Theatre	Per 100 Seats	0.30	\$ 18.41	\$ 20.10	\$ 20.94	\$ 21.77	\$ 22.65	\$ 23.59
Brewery	per 1,000 SF	4.80	\$ 294.62	\$ 321.67	\$ 335.09	\$ 348.28	\$ 362.35	\$ 377.38

Action

In compliance with Proposition 218, the City of Auburn is hereby notifying all affected property owners and customers of the proposed sewer rate increase effective July 1, 2014, as follows:

- ✓ Affected property owners and other customers are notified by mail about the proposed rate increase. This notice outlines the public protest process (see below) and publishes the public hearing date and time.
- ✓ If written protests are presented by a majority of affected property owners prior to the close of the public hearing, the proposed rate increase will be rejected.
- ✓ This notice provides information relating to the proposed rate increase.

Process

If you wish to oppose the proposed sewer rate increase, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. If written protests are submitted by a majority of affected property owners, the proposed sewer rate increase will not be imposed. Written protest can be submitted to the City Council prior to the close of the public hearing. Written protests must contain a description of the property, including the parcel number. Please indicate you are protesting and send your written protest to: City Clerk, City of Auburn, 1225 Lincoln Way, Auburn, CA 95603.

Please note that the City of Auburn requires that rate increase protests be submitted in writing, and that **email protests will not be accepted**. If you have any questions about this notice, please call Bernie Schroeder, Public Works Director, City of Auburn at 530-823-4211 x 144.



Memorandum

To: Bernle Schroeder, City of Auburn
Megan Siren, City of Auburn

From: Georgette Aronow

CC: Dan Rich, Nexgen

Date: April 7, 2014, revised April 24, 2014

RE: City of Auburn Sewer Rate Update, DRAFT

This memo provides an overview of the updated sewer rate analysis for the City of Auburn that was last done in April 2007. With this current analysis, rates have been updated to reflect current assumptions, detailed below, and have been projected for the next five years. The following describes the major assumptions and updates:

- ❑ Updated revenue and expense data for the Sewer Enterprise Fund. The budgeted 2013-14 sewer expenses are used as the baseline for projecting costs over the next five years.
- ❑ Updated customer account information (number of customers and billing units).
- ❑ Updated schedule of capital improvement projects (CIP) over the next ten years including two major projects, the monetary contribution toward the Regional Pipeline project and the Oxidation Ditch project.
- ❑ Assumptions regarding how the City will likely fund the major CIP projects (contribution to Regional Pipeline and Oxidation Ditch improvements) which include a combination of financing/loans and pay-as-you-go (PAYG) funding.

The following describes the key tables and rate calculations.

Table 1: Rate Summary – Current vs. Calculated Rates

Table 1 summarizes the calculated rates and also provides the current rates for the customer categories. Rates are projected through 2018-19.

Capital project costs, i.e., the Regional Contribution and Oxidation Ditch projects, which are scheduled to occur in the next two years, are largely driving the need for rate increases.

Table 2: Historical Summary of Revenues and Expenses

Table 2 shows the historical sewer fund revenues and expenses through 2012-13. The budgeted revenues and expenses are shown for 2013-14. The budgeted 2013-14 expenses are used as the basis from which future year expenses are projected.

Table 3: Summary of Wastewater User Characteristics

The wastewater customers and user characteristics are summarized in Table 3. The City bills its sewer service charge annually with the property tax assessment rolls. The City charges residential parcels based on the number of units associated with each parcel. However, the basis for charge for non-residential uses varies from a per square foot (sqft) basis, to students, to chairs, etc. Customer accounts and units were updated based on current information.

The wastewater characteristics are based on previous rate studies, but were reviewed to assess whether they continue to reflect industry standards for flow and strength, as incorporated by the EDU Factor shown on Table 3. All but the Restaurant and Restaurant Take Out EDU Factors were found to be equitable representations for wastewater flow and strength. Restaurants and Take Out Restaurants' EDU factors were lowered from 2.5 and 2.0 to 2.0 and 1.7 respectively. These reduced characteristics are more consistent with industry standards for restaurant uses today.

It should be clarified that in some cases, the EDU factor not only represents the flow/strength factors, but also may represent additional allocations, such as in the case of a residential parcel associated with a lift station(s) or where there is a CDBG designation.

Table 4: Summary of Projected Expenses

Table 4 summarizes the projected expenses on an annual basis through 2018-19. The annual cost adjustment factors are also noted at the bottom of the table.

Salaries and Benefits are assumed to increase by approximately 5% a year and all other operating costs are assumed to increase by approximately 3% a year. However, in FY14-15, an additional \$175,000 in salaries and benefits is assumed to fill positions that were previously eliminated due to lack of funding, but that are deemed necessary.

The capital project expenses reflect significant costs over the next three to four years, due to the Regional Sewer contribution and the Oxidation Ditch project as well as ongoing annual capital project improvements. The projected annual capital expenses are detailed in the appendix, Table A-1. It is assumed that these capital project expenses will be funded by a combination of current capital reserves/set-asides, rate increases, and financing/loan.

Table 5: Project Loan/Bond Sizing and Debt Service

The City does not have the capacity to fully fund the two major capital projects out of reserves as they total a combined \$10.8 million, plus fund the nearly \$1.5 to \$2 million in annual capital projects. The City has approximately \$5.1 million in capital reserves to apply towards these projects. To pay

the remaining solely via rates greatly increases monthly rates, so it is assumed that the City will borrow money or finance a portion of the project costs for the major improvements.

Table 5 calculates the annual debt service for an assumed \$6.1 million loan. Conventional bond terms are assumed, however, the City may pursue CWSRF funding for the Oxidation Ditch Project. Therefore, the loan terms assumed in the rate analysis may be conservative, but prudent since all options are still currently being explored.

Table 6: Summary of Annual Revenue Requirement through FY 2018-19

Table 6 brings forward the projected annual expenses from Table 4 and includes offsetting revenues for a projection of the total annual revenue requirement necessary from annual sewer rate revenues. Offsetting revenues are based on other non-sales related revenue from the current budget year. One of these line items is Sewer Connection Fee revenue of \$36,000, representing approximately 11 new connections a year.

Table 7: Projected Cash Flow

Table 7 shows the projected cash flow for the 5 year period FY 2014-15 through FY 2018-19. The revenues, including the projected sewer rate revenues, are shown at the top. Below the total revenues, the projected expenses are shown. Net revenue, before debt service and depreciation/facility replacement are shown next.

The debt service coverage ratio is calculated by dividing the net revenues by the estimated debt service. Coverage ratios are relatively high at approximately 1.5x debt service.

Table 8: Capital Improvement Project (CIP) Pro Forma Cash Flow

Table 8 shows a projected cash flow for capital improvement fund. Revenues include transfers from the operating fund (Table 7) to the capital fund for depreciation and for capital projects, interest income, as well as bond/loan proceeds in years 2 and 3.

Expenses are based on the City's ten year projection of capital projects shown in Table A-1.

Beginning and ending balances are shown at the bottom of the table. As mentioned above, it is assumed that approximately \$5.1 million of current reserves (beginning balance) is applied toward the expenses over the first few years. After year 5, FY 2018-19, it is projected that the City will begin to once again accumulate capital reserves that can be applied to future major capital improvements to the sewer system.

Table 9: Projected Costs and Distribution between Collection and Treatment System

Table 9 provides the allocation of the projected costs (from Table 6) between collection and treatment. This calculation is repeated for each of the fiscal years through 2018-19. However, only the 2014-15 fiscal year is shown.

Table 9 also shows the cost adjustment factors used to project future costs. Salaries and benefits are projected to increase by 5% per year, all other costs, excluding debt service which are typically fixed or have a set schedule, are projected to increase by 3% per year.

CIP expenses are an exception however. The FY 2014-15 CIP cost allocation in rates is assumed to be \$970,000, which is then escalated by 12% for FY15-16 and 10% per year thereafter. The cost allocation for FY 2014-15 is less than the projected costs for that year, as shown in Table 8 and based on Table A-1, under expenses. A lower starting assumption for CIP costs in the revenue requirement was used to minimize the rate impacts in the earlier years of the projection period. It is assumed that the additional capital costs will be funded through the loan/financing as opposed to pay-as-you go funding.

Table 10: Unit Cost Determination

The distributed annual revenue requirement from Table 9 is brought forward into Table 10. These costs are allocated to flow and inflow and infiltration (I&I). These unit allocations are the same assumptions that were used in the previous sewer rate analysis.

The projected costs are multiplied by the flow and I&I unit allocations and then divided by the total annual capacity amounts from Table 3. The result is a unit cost per million gallons of flow and I&I.

Table 11: Allocation of Costs to Flow, BOD, and SS by Customer Category

In Table 11, the unit costs, calculated in Table 10, are used to allocate costs back to customer categories based on the customer group's estimated flow. For example, for the single-family customer group, the collection (flow) unit cost of \$1,585.01 is multiplied times 181.63 MG/yr of flow, resulting in \$287,881 costs being allocated to this customer group for this category. The total cost allocated to single-family residential users is estimated at \$2.1 million approximately. This calculation is repeated for each cost type and customer type, so that the total costs for the fiscal year are fully allocated.

Table 12: Detailed Sewer Rate Calculation

Table 12 shows the calculation of the monthly sewer rate for residential and non-residential customers. To calculate the rates, the allocated cost from Table 11 is brought forward and divided by the number of billing units to get the annual cost allocated. The annual cost is divided by 12 to determine the monthly charge. The basis of the charge whether residential unit, square feet, beds, etc. is also shown.

Appendix A: Sewer Program Projects

Table A-1 shows the historical and projected capital improvement projects for the sewer fund through FY 2023-24. The project costs total approximately \$28.7 million from FY 2013-14 through FY 2023-24.

Table 1
City of Auburn
Sewer Enterprise Fund
Rate Summary - Current vs. Calculated Rates

DRAFT

		Sewer Unit	Current Rate	Calculated Rates					Avg. Annual % Increase
				2014-15	2015-16	2016-17	2017-18	2018-19	
Residential									
Single Family	per Unit	1.00	\$61.38	\$67.01	\$69.81	\$72.56	\$75.49	\$78.62	4.04%
Multiple Dwelling	per Unit	0.71	\$43.58	\$47.58	\$49.57	\$51.52	\$53.60	\$55.82	4.04%
Duplex / Triplex / Condo / Townhome	per Unit	0.77	\$47.26	\$51.60	\$53.75	\$55.87	\$58.12	\$60.53	4.04%
Duplex/Triplex/Condo/Townhome W/2 Lift Station	per Unit	1.20	\$73.66	\$80.42	\$83.78	\$87.07	\$90.59	\$94.35	4.04%
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	per Unit	0.99	\$60.77	\$66.35	\$69.12	\$71.84	\$74.74	\$77.84	4.04%
Multiple Dwelling W/ Lift Station	per Unit	0.99	\$60.77	\$66.35	\$69.12	\$71.84	\$74.74	\$77.84	4.04%
CDBG \$13.00/Mo. Reduction	per Unit	0.79	\$48.38	\$52.82	\$55.02	\$57.19	\$59.50	\$61.97	4.04%
CDBG - Duplex /Triplex/Condo/ Townhome	per Unit	0.56	\$34.26	\$37.41	\$38.97	\$40.50	\$42.14	\$43.88	4.04%
CDBG 1SFD W/DISC 1SFD W/O DISC	per Unit	1.79	\$109.76	\$119.84	\$124.84	\$129.75	\$134.99	\$140.59	4.04%
CDBG \$13.00-MO W/ 2 Lift Stations	per Unit	1.22	\$74.77	\$81.63	\$85.04	\$88.39	\$91.96	\$95.77	4.04%
CDBG \$13.00-MO W/Lift Station	per Unit	1.01	\$61.88	\$67.56	\$70.38	\$73.15	\$76.10	\$79.26	4.04%
CDBG 1 APT W/DISC	per Unit	0.50	\$30.58	\$33.39	\$34.78	\$36.15	\$37.61	\$39.17	4.04%
SFD W/2 Lift Stations	per Unit	1.43	\$87.77	\$95.83	\$99.83	\$103.75	\$107.95	\$112.42	4.04%
SFD with Sewer Lift Station	per Unit	1.22	\$74.88	\$81.75	\$85.16	\$88.52	\$92.09	\$95.91	4.04%
Non-Residential									
Auto Dealership	per 1,000 SF	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Bank/Financial Inst.	per 1,000 SF	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
Bakery	per 1,000 SF	1.70	\$104.35	\$113.92	\$118.68	\$123.35	\$128.33	\$133.65	4.04%
Bar	per 1,000 SF	0.70	\$42.97	\$46.91	\$48.87	\$50.79	\$52.84	\$55.03	4.04%
Dry Cleaner	per 1,000 SF	1.70	\$104.35	\$113.92	\$118.68	\$123.35	\$128.33	\$133.65	4.04%
Hall, Lodge, Auditorium	per 1,000 SF	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
Health Studio, Gym	per 1,000 SF	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
Market w/Disposal Unit	per 1,000 SF	1.00	\$61.38	\$67.01	\$69.81	\$72.56	\$75.49	\$78.62	4.04%
Market w/o Disposal Unit	per 1,000 SF	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Medical/Dental Office	per 1,000 SF	0.40	\$24.55	\$26.81	\$27.92	\$29.02	\$30.20	\$31.45	4.04%
Business Office	per 1,000 SF	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Place of Workshop	per 1,000 SF	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Public Agency	per 1,000 SF	0.60	\$36.83	\$40.21	\$41.89	\$43.53	\$45.29	\$47.17	4.04%
Mortuary	per Slumber Room	1.30	\$79.79	\$87.12	\$90.75	\$94.32	\$98.14	\$102.21	4.04%
Restaurant	per 1,000 SF	2.00	\$153.45	\$134.03	\$139.62	\$145.12	\$150.98	\$157.24	0.48%
Restaurant, Take-out Only	per 1,000 SF	1.70	\$122.76	\$113.92	\$118.68	\$123.35	\$128.33	\$133.65	1.58%
Retail	per 1,000 SF	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Warehouse	per 1,000 SF	0.10	\$6.14	\$6.70	\$6.98	\$7.26	\$7.55	\$7.86	4.04%
Used Car Lot	per 10 fixtures	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Car Wash	per Stall	0.70	\$42.97	\$46.91	\$48.87	\$50.79	\$52.84	\$55.03	4.04%
Barber/Beauty Shop	per Chair	0.20	\$12.28	\$13.40	\$13.96	\$14.51	\$15.10	\$15.72	4.04%
Hotel, Motel	per Sleeping Room	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
Self Service Laundry	per Machine	0.50	\$30.69	\$33.51	\$34.91	\$36.28	\$37.74	\$39.31	4.04%
Garage	per Bay	0.10	\$6.14	\$6.70	\$6.98	\$7.26	\$7.55	\$7.86	4.04%
Rest Home/Boarding House	per Bed	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
School	per 100 Students	1.00	\$61.38	\$67.01	\$69.81	\$72.56	\$75.49	\$78.62	4.04%
Service Station	per Pump	0.10	\$6.14	\$6.70	\$6.98	\$7.26	\$7.55	\$7.86	4.04%
Theatre	per 100 Seats	0.30	\$18.41	\$20.10	\$20.94	\$21.77	\$22.65	\$23.59	4.04%
Brewery	per 1,000 SF	4.80	\$294.62	\$321.67	\$335.09	\$348.28	\$362.35	\$377.38	4.04%
UPPR - Multi User	per EDU	1.00	\$61.38	\$67.01	\$69.81	\$72.56	\$75.49	\$78.62	4.04%

Table 2
City of Auburn
Sewer Enterprise Fund
Summary of Revenues and Expenses

DRAFT

	Fiscal Year Ended June 30					Avg. Annual
	Actual				Budgeted	% Change
	2010	2011	2012	2013	2014	2010-2014
REVENUES						
Sewer Service Charges	\$4,606,461	\$4,581,146	\$4,802,110	\$5,019,446	\$5,069,872	2.43%
Sewer Connection Fees	\$29,081	\$54,707	\$97,476	\$369,225	\$36,000	5.48%
Interest Income	\$84,169	\$88,527	\$97,476	\$57,493	\$75,000	(2.84%)
Other Revenues		\$1,050	\$1,553		\$0	
Debt Proceeds					\$0	
Subtotal Revenues	\$4,719,711	\$4,725,430	\$4,998,614	\$5,446,163	\$5,180,872	2.36%
EXPENSES						
Operating Expenses						
Salaries and benefits	\$223,404	\$262,793	\$347,932	\$386,561	\$379,596	14.17%
Services and Supplies	\$3,260,787	\$2,563,645	\$2,498,331	\$2,481,746	\$1,924,000	(12.36%)
Maintenance					\$41,000	
Capital Projects	\$387,947	\$402,670	\$978,732	\$1,054,472	\$1,525,000	40.81%
Depreciation	\$374,797	\$430,764	\$432,483	\$451,257	\$451,257	4.75%
Subtotal Expenses	\$4,246,936	\$3,659,872	\$4,257,477	\$4,374,035	\$4,320,853	0.43%
Net Operating Revenues	\$472,775	\$1,065,557	\$741,137	\$1,072,128	\$860,019	16.14%
Debt Service						
Current Debt Service	\$155,731	\$47,040	\$65,583	\$725,499	\$853,734	53.02%
Debt Coverage Ratio	3.04	22.65	11.30	1.48	1.01	
Subtotal Expenses	\$4,402,667	\$3,706,912	\$4,323,059	\$5,099,534	\$5,174,587	4.12%
Net Op. Rev after D/S	\$317,044	\$1,018,517	\$675,554	\$346,629	\$6,285	

Source: City of Auburn

*hist_budget

Table 3
City of Auburn
Sewer Enterprise Fund
Summary of Wastewater User Characteristics

DRAFT

Customer Category	Basis of Charge	Parcel Units/Accounts	Billing Units	EDU FACTOR [1]	Wastewater Characteristics			Total Annual Capacity		
					ADWF/User GPD	BOD MG/L	SS MG/L	Flow MG	BOD Lbs/Year	SS Lbs/Year
		(A)			(B)	(C)	(D)	(K)=(E)x365	(L)=(F)(K)x8.34	(M)=(G)(K)x8.34
Residential										
Single Family	per Unit	2,644	2,661	1.00	187			181.63	-	-
Multiple Dwelling	per Unit	124	1,493	0.71	133			72.35	-	-
Duplex / Triplex / Condo / Townhome	per Unit	446	617	0.77	144			32.43	-	-
Duplex/Triplex/Condo/Townhome W/2 Lift Station	per Unit	31	31	1.20	224			2.54	-	-
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	per Unit	23	23	0.99	185			1.55	-	-
Multiple Dwelling W/ Lift Station	per Unit	1	1	0.99	185			0.07	-	-
CDBG \$13.00/Mo. Reduction	per Unit	109	109	0.79	147			5.86	-	-
CDBG - Duplex /Triplex/Condo/ Townhome	per Unit	15	15	0.56	104			0.57	-	-
CDBG 1SFD W/DISC 1SFD W/O DISC	per Unit	1	1	1.79	334			0.12	-	-
CDBG \$13.00-MO W/ 2 Lift Stations	per Unit	2	2	1.22	228			0.17	-	-
CDBG \$13.00-MO W/Lift Station	per Unit	6	6	1.01	189			0.41	-	-
CDBG 1 APT W/DISC	per Unit	1	1	0.50	93			0.03	-	-
SFD W/2 Lift Stations	per Unit	393	393	1.43	267			38.36	-	-
SFD with Sewer Lift Station	per Unit	616	617	1.22	228			51.38	-	-
Subtotal - Residential		4,412	5,970					387.47	-	-
Non-Residential										
Auto Dealership	per 1,000 SF	2	3.85	0.20	37			0.05	-	-
Bank/Financial Inst.	per 1,000 SF	11	22.60	0.30	56			0.46	-	-
Bakery	per 1,000 SF	5	10.30	1.70	318			1.20	-	-
Bar	per 1,000 SF	10	8.61	0.70	131			0.41	-	-
Dry Cleaner	per 1,000 SF	3	13.94	1.70	318			1.62	-	-
Hall, Lodge, Auditorium	per 1,000 SF	8	11.56	0.30	56			0.24	-	-
Health Studio, Gym	per 1,000 SF	9	10.81	0.30	56			0.22	-	-
Market w/Disposal Unit	per 1,000 SF	3	37.40	1.00	187			2.55	-	-
Market w/o Disposal Unit	per 1,000 SF	2	5.22	0.20	37			0.07	-	-
Medical/Dental Office	per 1,000 SF	52	46.09	0.40	75			1.26	-	-
Business Office	per 1,000 SF	350	169.34	0.20	37			2.31	-	-
Place of Workshop	per 1,000 SF	21	41.31	0.20	37			0.56	-	-
Public Agency	per 1,000 SF	30	195.98	0.60	112			8.03	-	-
Mortuary	per Slumber Room	2	13.00	1.30	243			1.15	-	-
Restaurant	per 1,000 SF	52	272.48	2.00	374			37.20	-	-
Restaurant, Take-out Only	per 1,000 SF	8	19.11	1.70	318			2.22	-	-
Retail	per 1,000 SF	207	134.25	0.20	37			1.83	-	-
Warehouse	per 1,000 SF	25	12.86	0.10	19			0.09	-	-
Used Car Lot	per 10 fixtures	3	1.10	0.20	37			0.02	-	-
Car Wash	per Stall	1	2.80	0.70	131			0.13	-	-
Barber/Beauty Shop	per Chair	37	32.80	0.20	37			0.45	-	-
Hotel, Motel	per Sleeping Room	4	42.60	0.30	56			0.87	-	-
Self Service Laundry	per Machine	2	27.50	0.50	94			0.94	-	-
Garage	per Bay	27	11.80	0.10	19			0.08	-	-
Rest Home/Boarding House	per Bed	9	76.50	0.30	56			1.57	-	-
School	per 100 Students	7	29.15	1.00	187			1.99	-	-
Service Station	per Pump	8	4.40	0.10	19			0.03	-	-
Theatre	per 100 Seats	2	5.45	0.30	56			0.11	-	-
Brewery	per 1,000 SF	1	2.42	4.80	898			0.79	-	-
UPPR - Multi User			29.41	1.00	187			2.01	-	-
Subtotal Non-Residential		901	1,295					70.46	-	-
SUBTOTAL								457.92	-	-
Infiltration/Inflow								50.0		
TOTAL								507.93		

user_characteristics

[1] The equivalent dwelling unit (EDU) factors reflect the relative use of all categories in relation to a single family unit (SFU = 1 EDU). The factors are multiplied times the flow for a SFU which is assumed to be 187 gallons per day to determine the wastewater flow for all other customer categories.

Table 4
City of Auburn
Sewer Enterprise Fund
Summary of Projected Expenses through 2018-19

DRAFT

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditures						
Salaries and benefits	\$379,596	\$398,576	\$418,505	\$439,430	\$461,401	\$484,471
Additional Salaries and Benefits		\$175,000	\$183,750	\$192,938	\$202,584	\$212,714
Services and Supplies	\$1,924,000	\$1,981,720	\$2,041,172	\$2,102,407	\$2,165,479	\$2,230,443
Maintenance	\$41,000	\$42,230	\$43,497	\$44,802	\$46,146	\$47,530
Capital Projects	\$1,525,000	\$970,000	\$1,086,400	\$1,195,040	\$1,314,544	\$1,445,998
Depreciation	\$451,257	\$464,795	\$478,739	\$493,101	\$507,894	\$523,131
Subtotal	\$4,320,853	\$4,032,321	\$4,252,062	\$4,467,717	\$4,698,049	\$4,944,288
Current Debt Service	\$853,734	\$853,734	\$853,734	\$853,734	\$853,734	\$853,734
New Debt Service	\$0	\$442,000	\$442,000	\$442,000	\$442,000	\$442,000
Subtotal	\$853,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734
General Reserve	\$173,000	\$178,190	\$183,536	\$189,042	\$194,713	\$200,554
Total	\$5,347,587	\$5,506,245	\$5,708,749	\$5,927,875	\$6,161,645	\$6,411,277
Percent Increase		3.0%	3.7%	3.8%	3.9%	4.1%

Table 5
City of Auburn
Sewer Enterprise Fund
Project Loan/Bond Sizing and Debt Service

DRAFT

Item	Assumptions	Estimated Bond Sizing
		Local Project Oxidation Ditch/ Regional Project
<u>Total Loan/Bonds</u>		
Total Estimated Project Costs		\$6,100,000
Proceeds		\$6,100,000
Capitalized Interest	0 Months	\$0
Issuance Costs	4.0%	\$244,000
Bond Reserve Fund		\$442,000
Loan/Bond Size		\$6,786,000
<i>Adjustment for Rounding</i>		<i>(\$3,000)</i>
Total Loan/Bond Size		\$6,783,000
<u>Annual Costs</u>		
Estimated Gross Debt Service		\$441,244
<i>Estimated Gross Debt Service - Rounded</i>		<i>\$442,000</i>
<u>Assumptions</u> ^[1]		
Interest Rate		5.00%
Term		30 Years
Bond Load Factor		1.1120

[1] Bond issuance assumptions are estimates only. Actual bond pricing will be determined based on market conditions at the time of bond issuance.

Table 6
City of Auburn
Sewer Enterprise Fund
Summary of Annual Revenue Requirement through FY 2018-19

DRAFT

	Projected					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	1	2	3	4	5	6
Revenue Requirement						
Salaries and benefits	\$379,596	\$398,576	\$418,505	\$439,430	\$461,401	\$484,471
Additional Salaries and Benefits	\$0	\$175,000	\$183,750	\$192,938	\$202,584	\$212,714
Services and Supplies	\$1,924,000	\$1,981,720	\$2,041,172	\$2,102,407	\$2,165,479	\$2,230,443
Maintenance	\$41,000	\$42,230	\$43,497	\$44,802	\$46,146	\$47,530
Capital Projects	\$1,525,000	\$970,000	\$1,086,400	\$1,195,040	\$1,314,544	\$1,445,998
Depreciation	\$451,257	\$464,795	\$478,739	\$493,101	\$507,894	\$523,131
Subtotal	\$4,320,853	\$4,032,321	\$4,252,062	\$4,467,717	\$4,698,049	\$4,944,288
Current Debt Service	\$853,734	\$853,734	\$853,734	\$853,734	\$853,734	\$853,734
New Debt Service	\$0	\$442,000	\$442,000	\$442,000	\$442,000	\$442,000
Subtotal	\$853,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734
Plus General Reserve	\$173,000	\$178,190	\$183,536	\$189,042	\$194,713	\$200,554
Subtotal Expenses	\$5,347,587	\$5,506,245	\$5,731,332	\$5,952,493	\$6,188,496	\$6,440,576
<i>Less Revenues Met from Other Sources</i>						
Interest Income	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Other Revenues	(\$36,000)	(\$36,000)	(\$36,000)	(\$36,000)	(\$36,000)	(\$36,000)
Revenue Requirement	\$5,236,587	\$5,395,245	\$5,620,332	\$5,841,493	\$6,077,496	\$6,329,576

Table 7
City of Auburn
Sewer Enterprise Fund
Projected Cash Flow

DRAFT

	Inflation Assumption	Budget 2013-14	2014-15	2015-16	Projected 2016-17	2017-18	2018-19
Revenues							
Current Budgeted Sewer Sales		\$5,069,872	\$5,069,872	\$5,069,872	\$5,069,872	\$5,069,872	\$5,069,872
Additional Revenue Required:							
Year	Effective Months						
2014-15	12		\$325,373	\$325,373	\$325,373	\$325,373	\$325,373
2015-16	12			\$225,087	\$225,087	\$225,087	\$225,087
2016-17	12				\$221,161	\$221,161	\$221,161
2017-18	12						\$488,084
2018-19	12						
Total		\$5,069,872	\$5,395,245	\$5,620,332	\$5,841,493	\$6,077,496	\$6,329,576
Other Revenues							
Sewer Connection Charges [1]		\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Interest Income		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Other Revenues		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000
Subtotal Revenues		\$5,180,872	\$5,506,245	\$5,731,332	\$5,952,493	\$6,188,496	\$6,440,576
Expenses							
Salaries and Benefits	5.0%	\$379,596	\$398,576	\$418,505	\$439,430	\$461,401	\$484,471
Additional Salaries and Benefits	5.0%	\$0	\$175,000	\$183,750	\$192,938	\$202,584	\$212,714
Services and Supplies	3.0%	\$1,924,000	\$1,981,720	\$2,041,172	\$2,102,407	\$2,165,479	\$2,230,443
Maintenance	3.0%	\$41,000	\$42,230	\$43,497	\$44,802	\$46,146	\$47,530
Capital Projects		\$1,525,000	\$970,000	\$1,086,400	\$1,195,040	\$1,314,544	\$1,445,998
Subtotal Expenses		\$3,869,596	\$3,567,526	\$3,773,323	\$3,974,616	\$4,190,154	\$4,421,157
Net Revenue Before D/S & Depreciation		\$1,311,276	\$1,938,719	\$1,958,009	\$1,977,877	\$1,998,341	\$2,019,419
Depreciation	3.0%	\$451,257	\$464,795	\$478,739	\$493,101	\$507,894	\$523,131
Debt Service							
Current Debt Service		\$853,734	\$853,734	\$853,734	\$853,734	\$853,734	\$853,734
Add'l Debt Service			\$442,000	\$442,000	\$442,000	\$442,000	\$442,000
Total Debt Service		\$853,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734	\$1,295,734
Debt Service Coverage		1.54	1.50	1.51	1.53	1.54	1.56
Total Expenses		\$5,174,587	\$5,328,055	\$5,547,796	\$5,763,451	\$5,993,783	\$6,240,022
Net Revenue After D/S		\$6,285	\$178,190	\$183,536	\$189,042	\$194,713	\$200,554
Net Revenue as % of Total Expenses			3.3%	3.3%	3.3%	3.2%	3.2%
Beginning Operating Balance [2]		\$1,000,000	\$1,006,285	\$1,184,475	\$1,368,010	\$1,557,052	\$1,751,765
Net Revenues		\$6,285	\$178,190	\$183,536	\$189,042	\$194,713	\$200,554
Ending Operating Balance		\$1,006,285	\$1,184,475	\$1,368,010	\$1,557,052	\$1,751,765	\$1,952,319
Target Operating Balance [3]		\$1,934,798	\$1,783,763	\$1,886,662	\$1,987,308	\$2,095,077	\$2,210,578

"proj_cashflow"

[1] Connection fees for 2013-14 are budgeted and held constant for purposes of this analysis.

Calculated Dev Imp Fee Treatment Only \$3,222
Number of New EDUS per Year 11.17 Total revenues = \$36,000.00

[2] Cash and cash equivalents balance, end of fiscal year 2012-13, page 25 Audited Financial Statement (BUT ONLY A PORTION Currently).

[3] The target operating balance represents 6 months of operating expenses, excluding debt service.

Attachment B

Table 8
City of Auburn
Sewer Enterprise Fund
Capital Improvement Project (CIP) Pro Forma Cash Flow

DRAFT

	0	1	2	3	4	5	6	7	8	9	10	Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Revenues:												
<i>Transfer from Operating Fund:</i>												
Depreciation	3%	\$451,257	\$464,795	\$493,101	\$507,894	\$523,131	\$523,131	\$523,131	\$523,131	\$523,131	\$523,131	\$5,534,573
Capital Projects		\$1,525,000	\$1,086,400	\$1,195,040	\$1,314,544	\$1,445,998	\$1,445,998	\$1,445,998	\$1,445,998	\$1,445,998	\$1,445,998	\$14,766,974
Interest Income	1.5%		\$0	\$87,574	\$2,831	\$2,920	\$854	\$5,679	\$10,361	\$21,627	\$32,546	\$219,284
Bond/Loan Proceeds		\$5,000,000	\$1,100,000									\$6,100,000
Subtotal		\$1,976,257	\$2,752,713	\$1,743,033	\$1,825,269	\$1,972,050	\$1,969,983	\$1,974,809	\$1,979,490	\$1,990,757	\$2,001,676	\$26,620,832
Expenses:												
<i>see Appendix</i>												
Oxidation Ditch Imp Proj - NPDES		\$300,000	\$2,200,000	\$3,300,000								\$6,900,000
Regional Sewer Project		\$300,000										\$3,900,000
Other Annual CIP Projects		\$925,000	\$2,731,500	\$1,913,800	\$1,819,300	\$2,109,800	\$1,648,300	\$1,662,700	\$1,228,400	\$1,262,800	\$1,262,800	\$18,012,191
Subtotal		\$1,525,000	\$4,931,500	\$5,213,800	\$1,819,300	\$2,109,800	\$1,648,300	\$1,662,700	\$1,228,400	\$1,262,800	\$1,262,800	\$28,812,191
Net Income (Loss)		\$451,257	(\$2,178,787)	(\$3,470,767)	\$5,969	(\$137,750)	\$321,683	\$312,109	\$751,090	\$727,957	\$738,876	(\$2,191,359)
Beginning Balance		\$5,100,000	\$5,838,262	\$3,659,475	\$188,708	\$194,677	\$56,926	\$378,610	\$690,718	\$1,441,808	\$2,169,765	\$5,100,000
Net Income (Loss)		\$451,257	(\$2,178,787)	(\$3,470,767)	\$5,969	(\$137,750)	\$321,683	\$312,109	\$751,090	\$727,957	\$738,876	(\$2,191,359)
Ending Balance		\$5,551,257	\$3,659,475	\$188,708	\$194,677	\$56,926	\$378,610	\$690,718	\$1,441,808	\$2,169,765	\$2,908,641	\$2,908,641

Table 9

City of Auburn

Sewer Enterprise Fund

Projected Costs and Distribution between Collection and Treatment System

DRAFT

2014-15

	Inflation Adjustment	Budget 2013-14	2014-15	Allocation		Collection System		Treatment System					
				Collection	Treatment	Cost	Fixed	Variable	Cost	Fixed	Variable		
Years Inflated: <div>1</div>													
Expenditures													
Salaries and Benefits	5.00%	\$379,596	\$398,576	--Assumed-- 20% 80%	80%	\$79,715	\$79,715	\$318,861	\$318,861				
Additional Salaries & Benefits	5.00%		\$175,000		20%	\$35,000	\$35,000	\$140,000	\$140,000				
Services and Supplies	3.00%	\$1,924,000	\$1,981,720		20%	\$396,344	\$396,344	\$1,585,376	\$1,268,301	\$317,075			
Maintenance	3.00%	\$41,000	\$42,230		20%	\$8,446	\$8,446	\$33,784	\$33,784				
Capital Projects		\$1,525,000	\$970,000		20%	\$194,000	\$194,000	\$776,000	\$776,000				
Depreciation	3.00%	\$451,257	\$464,795	20%	80%	\$92,959	\$92,959	\$371,836	\$371,836				
Subtotal		\$4,320,853	\$4,032,321			\$806,464	\$806,464	\$3,225,857	\$2,908,782	\$317,075			
Current Debt Service	0.00%	\$853,734	\$853,734	20%	80%	\$170,747	\$170,747	\$682,987	\$682,987				
Additional Debt Service	0.00%	\$0	\$442,000	20%	80%	\$88,400	\$88,400	\$353,600	\$353,600				
General Reserve	3.00%	\$173,000	\$178,190	20%	80%	\$35,638	\$35,638	\$142,552	\$142,552				
Subtotal		\$5,347,587	\$5,506,245			\$1,101,249	\$1,101,249	\$0	\$4,404,996	\$317,075			
Less Other Revenues		(\$111,000)	(111,000)										
Total		\$5,236,587	\$5,395,245										

"proj_costs"

Attachment B

Table 10
City of Auburn
Sewer Enterprise Fund
Unit Cost Determination

DRAFT

2014-15

Cost Category	Allocated Operating Costs		Percent Allocation			Cost			Total Influent			Unit Cost Per:			
	Flow	BOD	SS	I/I	Flow	BOD	SS	I/I	Flow MG	BOD Klbs	SS Klbs	Mgal of Flow (\$/Mgal)	Klb of BOD (\$/Klb)	Klb of SS (\$/Klb)	I/I (\$/Mgal)
Collection System O&M Costs [1] [2]	Fixed	\$806,464													
	Variable	\$0		10.00%	\$725,818	\$0	\$0	\$80,646	457.92	0.00	0.00	\$1,585.01			\$176.11
	Total Collection	\$806,464		10.00%	\$725,818	\$0	\$0	\$80,646	457.92	0.00	0.00	\$1,585.01	\$0.00	\$0.00	\$176.11
Treatment O&M Costs	Fixed	\$2,908,782													
	Variable	\$317,075		10.00%	\$2,617,903	\$0	\$0	\$290,878	457.92	0.00	0.00	\$5,716.88			\$635.21
	Total Treatment	\$3,225,857		10.00%	\$2,903,271	\$0	\$0	\$322,586	457.92	0.00	0.00	\$6,340.06	\$0.00	\$0.00	\$704.45
Debt Service		\$1,285,734		10.00%	\$1,166,161	\$0	\$0	\$129,573	457.92	0.00	0.00	\$2,546.62			\$282.96
SUBTOTAL		\$5,328,056										\$10,471.69			\$1,163.52
Other Cost Impacts	General Reserve	\$178,190		10.00%	\$160,371	\$0	\$0	\$17,819	457.92	0.00	0.00	\$350.21			\$38.91
	Rounding	\$0		10.00%	\$0	\$0	\$0	\$0	457.92	0.00	0.00	\$0.00			\$0.00
	Credit/Offset for Other Revenues	(\$111,000)		10.00%	(\$99,900)	\$0	\$0	(\$11,100)	457.92	0.00	0.00	(\$218.16)			(\$24.24)
Total		\$87,190			\$60,471	\$0	\$0	\$6,719				\$132.05	\$0.00	\$0.00	\$14.67
TOTAL		\$5,395,246			\$4,855,720	\$0	\$0	\$539,524				\$10,603.75	\$0.00	\$0.00	\$1,178.19

Unit costs

Table 11

City of Auburn
Sewer Enterprise Fund

Allocation of Costs to Flow, BOD, and SS by Customer Category

DRAFT

2014-15

DRAFT

Unit Cost/Customer Category	Collection			Operating Costs			Treatment			Capital Costs			Other Revenue Impacts			Total
	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Flow (\$/Mgal)	Flow (\$/Klb)	Flow (\$/Mgal)	BOD (\$/Klb)	BOD (\$/Klb)	SS (\$/Klb)	Flow (\$/Mgal)	BOD (\$/Klb)	SS (\$/Klb)	Flow (\$/Mgal)	BOD (\$/Klb)	SS (\$/Klb)	
Unit Cost				\$1,595.01	\$176.11		\$6,340.06	\$0.00	\$0.00	\$704.45	\$2,546.62	\$0.00	\$0.00	\$0.00	\$0.00	\$11,782
Residential																
Single Family	181.63	-	-	\$287,881	\$31,987	\$1,151,523	\$0	\$0	\$0	\$127,947	\$462,534	\$0	\$0	\$0	\$0	\$2,139,913
Multiple Dwelling	72.35	-	-	\$114,680	\$12,742	\$458,720	\$0	\$0	\$0	\$50,969	\$184,255	\$0	\$0	\$0	\$0	\$852,455
Duplex / Triplex / Condo / Townhome W/2	32.43	-	-	\$51,395	\$5,711	\$205,579	\$0	\$0	\$0	\$22,842	\$92,575	\$0	\$0	\$0	\$0	\$382,035
Duplex/Triplex/Condo/Townhome W/1	2.54	-	-	\$4,025	\$447	\$16,099	\$0	\$0	\$0	\$1,789	\$6,466	\$0	\$0	\$0	\$0	\$29,917
Multiple Dwelling W/1 Ltr Station	1.55	-	-	\$2,464	\$274	\$9,854	\$0	\$0	\$0	\$1,095	\$3,958	\$0	\$0	\$0	\$0	\$18,312
CDBG - Duplex / Triplex / Condo / Townhome W/1 Ltr Station	0.07	-	-	\$107	\$12	\$428	\$0	\$0	\$0	\$48	\$172	\$0	\$0	\$0	\$0	\$796
CDBG \$13.00/Mo. Reduction	5.86	-	-	\$9,295	\$1,033	\$37,179	\$0	\$0	\$0	\$4,131	\$14,934	\$0	\$0	\$0	\$0	\$69,090
CDBG - Duplex / Triplex / Condo / Townhome W/1 Ltr Station	0.57	-	-	\$906	\$101	\$3,623	\$0	\$0	\$0	\$403	\$1,455	\$0	\$0	\$0	\$0	\$6,733
CDBG 1SFD W/DISC 1SFD W/O DISC	0.12	-	-	\$193	\$21	\$774	\$0	\$0	\$0	\$86	\$311	\$0	\$0	\$0	\$0	\$1,438
CDBG \$13.00-MO W/ 2 Ltr Stations	0.17	-	-	\$264	\$29	\$1,054	\$0	\$0	\$0	\$117	\$423	\$0	\$0	\$0	\$0	\$1,959
CDBG 1 APT W/DISC	0.41	-	-	\$654	\$73	\$2,618	\$0	\$0	\$0	\$291	\$1,051	\$0	\$0	\$0	\$0	\$4,864
CDBG W/2 Ltr Stations	38.36	-	-	\$60,797	\$6,755	\$243,187	\$0	\$0	\$0	\$27,021	\$97,681	\$0	\$0	\$0	\$0	\$563
SFD with Sewer Ltr Station	51.38	-	-	\$81,431	\$9,048	\$325,726	\$0	\$0	\$0	\$36,192	\$130,835	\$0	\$0	\$0	\$0	\$754
Subtotal - Residential	387.47			\$614,145	\$68,238	\$2,456,579	\$0	\$0	\$0	\$272,953	\$986,737	\$0	\$0	\$0	\$0	\$4,565,142
Non-Residential																
Auto Dealership	0.05	-	-	\$83	\$9	\$333	\$0	\$0	\$0	\$37	\$134	\$0	\$0	\$0	\$0	\$620
Bank/Financial Inst.	0.46	-	-	\$733	\$81	\$2,933	\$0	\$0	\$0	\$326	\$1,178	\$0	\$0	\$0	\$0	\$5,451
Bakery	1.20	-	-	\$1,895	\$211	\$7,579	\$0	\$0	\$0	\$842	\$3,044	\$0	\$0	\$0	\$0	\$14,084
Bar	0.41	-	-	\$582	\$72	\$2,607	\$0	\$0	\$0	\$290	\$1,047	\$0	\$0	\$0	\$0	\$4,844
Dry Cleaner	1.62	-	-	\$2,564	\$285	\$10,268	\$0	\$0	\$0	\$1,140	\$4,120	\$0	\$0	\$0	\$0	\$19,082
Hall, Lodge, Auditorium	0.24	-	-	\$375	\$42	\$1,301	\$0	\$0	\$0	\$167	\$603	\$0	\$0	\$0	\$0	\$2,789
Health Studio, Gym	0.22	-	-	\$351	\$39	\$1,404	\$0	\$0	\$0	\$156	\$564	\$0	\$0	\$0	\$0	\$2,609
Market w/Disposal Unit	2.55	-	-	\$4,047	\$450	\$16,186	\$0	\$0	\$0	\$1,788	\$6,502	\$0	\$0	\$0	\$0	\$30,078
Medical/Dental Office	0.07	-	-	\$113	\$13	\$452	\$0	\$0	\$0	\$50	\$181	\$0	\$0	\$0	\$0	\$838
Business Office	2.31	-	-	\$1,995	\$222	\$7,979	\$0	\$0	\$0	\$867	\$3,205	\$0	\$0	\$0	\$0	\$14,827
Place of Worship	0.56	-	-	\$894	\$99	\$3,575	\$0	\$0	\$0	\$397	\$1,436	\$0	\$0	\$0	\$0	\$27,236
Public Agency	8.03	-	-	\$12,721	\$1,413	\$50,886	\$0	\$0	\$0	\$5,654	\$20,439	\$0	\$0	\$0	\$0	\$94,562
Mortuary	1.15	-	-	\$1,828	\$203	\$7,313	\$0	\$0	\$0	\$813	\$2,938	\$0	\$0	\$0	\$0	\$11,591
Restaurant	37.20	-	-	\$58,957	\$6,551	\$235,826	\$0	\$0	\$0	\$26,203	\$94,725	\$0	\$0	\$0	\$0	\$46,244
Restaurant, Take-out Only	2.22	-	-	\$3,515	\$391	\$14,061	\$0	\$0	\$0	\$1,562	\$5,648	\$0	\$0	\$0	\$0	\$26,131
Retail	1.83	-	-	\$2,905	\$323	\$11,619	\$0	\$0	\$0	\$1,291	\$4,667	\$0	\$0	\$0	\$0	\$21,593
Warehouse	0.09	-	-	\$139	\$15	\$557	\$0	\$0	\$0	\$62	\$224	\$0	\$0	\$0	\$0	\$1,035
Used Car Lot	0.02	-	-	\$24	\$3	\$95	\$0	\$0	\$0	\$11	\$38	\$0	\$0	\$0	\$0	\$177
Car Wash	0.13	-	-	\$212	\$24	\$848	\$0	\$0	\$0	\$94	\$341	\$0	\$0	\$0	\$0	\$1,576
Barber/Beauty Shop	0.45	-	-	\$710	\$79	\$2,839	\$0	\$0	\$0	\$315	\$1,140	\$0	\$0	\$0	\$0	\$5,275
Hotel, Motel	0.87	-	-	\$1,383	\$154	\$5,530	\$0	\$0	\$0	\$614	\$2,221	\$0	\$0	\$0	\$0	\$10,277
Self Service Laundry	0.94	-	-	\$1,488	\$165	\$5,950	\$0	\$0	\$0	\$661	\$2,390	\$0	\$0	\$0	\$0	\$11,057
Garage	0.08	-	-	\$128	\$14	\$511	\$0	\$0	\$0	\$57	\$205	\$0	\$0	\$0	\$0	\$949
Rest Home/Boarding House	1.57	-	-	\$2,483	\$276	\$9,931	\$0	\$0	\$0	\$1,103	\$3,989	\$0	\$0	\$0	\$0	\$18,456
School	1.99	-	-	\$3,154	\$350	\$12,614	\$0	\$0	\$0	\$1,402	\$5,067	\$0	\$0	\$0	\$0	\$23,442
Service Station	0.03	-	-	\$48	\$5	\$190	\$0	\$0	\$0	\$21	\$76	\$0	\$0	\$0	\$0	\$354
Theatre	0.11	-	-	\$177	\$20	\$707	\$0	\$0	\$0	\$79	\$284	\$0	\$0	\$0	\$0	\$1,314
Brewery	0.79	-	-	\$1,256	\$140	\$5,025	\$0	\$0	\$0	\$558	\$2,018	\$0	\$0	\$0	\$0	\$9,338
UPRR - Multi User	2.01	-	-	\$3,181	\$353	\$12,725	\$0	\$0	\$0	\$1,414	\$5,111	\$0	\$0	\$0	\$0	\$23,647
Subtotal	70.46			\$111,673	\$12,408	\$446,692	\$0	\$0	\$0	\$49,632	\$179,423	\$0	\$0	\$0	\$0	\$830,103
TOTAL	457.92	0.00	0.00	\$725,818	\$80,646	\$2,903,271	\$0	\$0	\$0	\$322,586	\$1,166,161	\$0	\$0	\$0	\$0	\$5,395,245

Total Alloc

Table 12
City of Auburn
Sewer Enterprise Fund
Detailed Sewer Rate Calculation

DRAFT

2014-15

Customer Category	Number of Billing Units	Allocated Cost	Annual Cost Billing Unit	Monthly Cost	
				Billing Unit Mo. Charge	Basis of Charge
Residential					
Single Family	2,661	\$2,139,913	\$804.18	\$67.01	per Unit
Multiple Dwelling	1,493	\$852,455	\$570.97	\$47.58	per Unit
Duplex / Triplex / Condo / Townhome	617	\$382,035	\$619.18	\$51.60	per Unit
Duplex/Triplex/Condo/Townhome W/2 Lift Station	31	\$29,917	\$965.06	\$80.42	per Unit
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	23	\$18,312	\$796.18	\$66.35	per Unit
Multiple Dwelling W/ Lift Station	1	\$796	\$796.18	\$66.35	per Unit
CDBG \$13.00/Mo. Reduction	109	\$69,090	\$633.86	\$52.82	per Unit
CDBG - Duplex /Triplex/Condo/ Townhome	15	\$6,733	\$448.86	\$37.41	per Unit
CDBG 1SFD W/DISC 1SFD W/O DISC	1	\$1,438	\$1,438.03	\$119.84	per Unit
CDBG \$13.00-MO W/ 2 Lift Stations	2	\$1,959	\$979.61	\$81.63	per Unit
CDBG \$13.00-/MO W/Lift Station	6	\$4,864	\$810.73	\$67.56	per Unit
CDBG 1 APT W/DISC	1	\$401	\$400.65	\$33.39	per Unit
SFD W/2 Lift Stations	393	\$451,922	\$1,149.93	\$95.83	per Unit
SFD with Sewer Lift Station	617	\$605,307	\$981.05	\$81.75	per Unit
Subtotal - Residential	5,970	\$4,565,142			
Non-Residential					
Auto Dealership	3.9	\$620	\$160.84	\$13.40	per 1,000 SF
Bank/Financial Inst.	22.6	\$5,451	\$241.25	\$20.10	per 1,000 SF
Bakery	10.3	\$14,084	\$1,367.10	\$113.92	per 1,000 SF
Bar	8.6	\$4,844	\$562.92	\$46.91	per 1,000 SF
Dry Cleaner	13.9	\$19,062	\$1,367.10	\$113.92	per 1,000 SF
Hall, Lodge, Auditorium	11.6	\$2,789	\$241.25	\$20.10	per 1,000 SF
Health Studio, Gym	10.8	\$2,609	\$241.25	\$20.10	per 1,000 SF
Market w/Disposal Unit	37.4	\$30,079	\$804.18	\$67.01	per 1,000 SF
Market w/o Disposal Unit	5.2	\$839	\$160.84	\$13.40	per 1,000 SF
Medical/Dental Office	46.1	\$14,827	\$321.67	\$26.81	per 1,000 SF
Business Office	169.3	\$27,236	\$160.84	\$13.40	per 1,000 SF
Place of Workshop	41.3	\$6,644	\$160.84	\$13.40	per 1,000 SF
Public Agency	196.0	\$94,562	\$482.51	\$40.21	per 1,000 SF
Mortuary	13.0	\$13,591	\$1,045.43	\$87.12	per Slumber Room
Restaurant	272.5	\$438,244	\$1,608.35	\$134.03	per 1,000 SF
Restaurant, Take-out Only	19.1	\$26,131	\$1,367.10	\$113.92	per 1,000 SF
Retail	134.3	\$21,593	\$160.84	\$13.40	per 1,000 SF
Warehouse	12.9	\$1,035	\$80.42	\$6.70	per 1,000 SF
Used Car Lot	1.1	\$177	\$160.84	\$13.40	per 10 fixtures
Car Wash	2.8	\$1,576	\$562.92	\$46.91	per Stall
Barber/Beauty Shop	32.8	\$5,275	\$160.84	\$13.40	per Chair
Hotel, Motel	42.6	\$10,277	\$241.25	\$20.10	per Sleeping Room
Self Service Laundry	27.5	\$11,057	\$402.09	\$33.51	per Machine
Garage	11.8	\$949	\$80.42	\$6.70	per Bay
Rest Home/Boarding House	76.5	\$18,456	\$241.25	\$20.10	per Bed
School	29.1	\$23,442	\$804.18	\$67.01	per 100 Students
Service Station	4.4	\$354	\$80.42	\$6.70	per Pump
Theatre	5.4	\$1,314	\$241.25	\$20.10	per 100 Seats
Brewery	2.4	\$9,338	\$3,860.05	\$321.67	per 1,000 SF
UPPR - Multi User [1]	29.4	\$23,647	\$804.18	\$67.01	per EDU [1]
TOTAL		\$5,395,245			

[1] Billed separately by the City and accounts for actual tenants and use.

"rate_calc"

PROGRAM PROJECTS

[illegible]

CITY OF AUBURN

Final Sewer Rate & Fee Analysis

April 23, 2007

Prepared for:

**City of Auburn
1225 Lincoln Way
Auburn, California 95603**

Prepared by:

**ECO:LOGIC Engineering
AUBR07-001**

ECO:LOGIC

Consulting Engineers

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City of Auburn Sewer Rate & Fee Analysis

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Section 1

Overview

The City of Auburn (the City) currently provides sewer collection and treatment for approximately 4,934 parcels. The City currently bills its charges for this service on the annual property tax bill, where it is collected along with the property tax against parcels in the City. Of these parcels, approximately 4,327 are residential customers, and the remaining 607 are commercial/non-residential parcels.

The City is currently planning significant improvements to its wastewater treatment facilities. The City's NPDES permit (CA0077712, adopted March 2005) requires that the WWTP must be upgraded to reduce effluent nitrogen levels and eliminate disinfection byproducts by December 2009. Other trace pollutants must also be reduced through source control measures. These sewer facility upgrades represent significant costs to this small foothill community. The existing sewer rates will need to be increased in order to support financing of these projects.

The City requested that ECO:LOGIC Engineering analyze the existing rates and recommend updated rates to support the necessary capital improvement program while at the same time maintaining efficient operation and maintenance of the City. This Report summarizes the analysis and findings.

The sewer rates were last updated in 1995. The rate per single family unit is \$35.00 per dwelling unit. In 2001, the rate structure was modified somewhat, in that any residential unit that wasn't a single family unit was to be considered a multiple dwelling unit. This resulted in a rate reduction for duplexes, triplexes, and condos as they were changed over to the same rate as a multi-family unit or apartment.

This rate analysis recommends that duplexes, triplexes, and condos be separated into their own customer category. Rather than two general categories of residential users, single family and multiple dwellings, it is recommended that there be three general categories:

- Single Family
- Duplex, Triplex, and Condo
- Multi-Family (Apartment)

This rate structure is similar to that of Placer County and recognizes that duplexes, triplexes, and condos typically have more people per household than an apartment but less than a single family dwelling unit.

Other than this proposed change to the rate structure, there are no other proposed changes to the rate structure at this time.

Section 2

Capital Improvement Program

2.1 EXISTING FACILITIES

The City's wastewater treatment process has evolved with changing wastewater regulations and policies. As the treatment process exists today, it consists of six major components (and the associated ancillary facilities):

- A nitrifying activated sludge treatment process (oxidation ditch and associated secondary clarifiers) with a wastewater treatment capacity of 1.67 MGD.
- A four-cell, 3.4 MG aerated treatment pond system with 90 HP of aeration equipment designed 1) to serve as influent flow equalization before going to the oxidation ditch, and 2) to provide initial treatment to large flows of dilute wastewater (resulting from infiltration and inflows) that will be treated in the overall 33 MG aerated and non-aerated pond treatment system that can operate in parallel with the oxidation ditch.
- 5.3 MGD of effluent tertiary filter capacity.
- 136,000 gallon chlorine contact basin capable of providing approximately 2 hours of contact time at design average flows.
- 30 MG of non-aerated wastewater ponds that can be used for 1) long-term storage of large volumes of influent, and 2) additional treatment of effluent leaving the aerated treatment pond system.
- A belt filter press facility that is used to dewater waste sludge that is then trucked offsite to a landfill.

The facility is able to meet the effluent limitations contained in its current NPDES permit. However, in addition to the current requirements set by the permit, the permit contains several new effluent limits and an associated compliance schedule that will require several upgrades to the existing facilities.

2.2 PLANNED FACILITY UPGRADES

The City of Auburn's renewed NPDES permit contains several new effluent limitations that must be met by December 2009. These new limits will require upgrades to the City's wastewater treatment plant to include denitrification facilities and to replace chlorine disinfection facilities with ultraviolet (UV) light disinfection. The following project elements have been identified:

- Construction of a complete UV disinfection system in compliance with State requirements.
- Upgrading the plant electrical system to power the UV disinfection system with the provision of onsite backup power generation.
- Construction of a new building to house the motor control center and PLCs if insufficient space exists within the filter control building
- Modification of the existing hypochlorite system for process cleaning.
- Enhancements to the existing oxidation ditch aeration system to optimize denitrification
- Provisions for a methanol feed system for denitrification within the filters.
- Other miscellaneous improvements determined during design activities to improve system reliability.

In addition to the WWTP facility improvements, the California State Water Resources Control Board (SWRCB) recently approved new Sanitary Sewer Overflow (SSO) regulations. In an effort to reduce and prevent as well as mitigate any potential SSOs, the City will be required to develop and implement a Sanitary Sewer Management Plan (SSMP) to comply with these new regulations. The full cost implications of these regulations are not known at this time, but the City has budgeted for additional monitoring and studies to meet the near-term SSMP requirements.

Table 2-1 provides a summary of the current and projected capital improvement program (CIP) planned by the City. The on-going CIP improvements for 2006-07 are planned to be funded out of existing sewer fund reserves. After 2006-07, the expenses in the on-going CIP category are budgeted for in the projected rate calculations that are discussed in more detail below.

The WWTP Upgrade improvements will most likely be funded by the City through a revenue bond. The project cost is currently estimated at \$11,745,000 and this reflects a planning estimate only. The costs will be further refined as the project moves into the design stage and ultimately when it is bid and constructed.

Table 2-1
Capital Project Summary - With City of Auburn Upgrades to WWTP

Description	Actual 2004-05	Actual 2005-06	Budgeted 2006-07	Projected			Total 04-05 to 10-11	Included In Financing		% Allocated to		Cost Allocated to	
				2007-08	2008-09	2009-10		Existing	New	Existing	New	Existing	New
On-Going CIP Improvement Projects													
Machinery & Equipment	\$1,483	\$2,771	\$25,000	\$100,000	\$105,000	\$110,250	\$115,763					\$0	\$0
Stream Flow Gauge	\$9,388	\$280	\$0	\$0	\$0	\$0	\$9,668					\$0	\$0
Auburn Ravine Sampling	\$1,958	\$0	\$2,000	\$0	\$0	\$0	\$3,958					\$0	\$0
Stream Sampling for WWTP	\$88	\$0	\$0	\$0	\$0	\$0	\$88					\$0	\$0
BIOASSAY Testing WWTP	\$235	\$0	\$0	\$0	\$0	\$0	\$235					\$0	\$0
Village Lane/Fukushima Sewer	\$0	\$399	\$0	\$0	\$0	\$0	\$399					\$0	\$0
Lift Station Repairs	(\$204)	\$114,431	\$100,000	\$250,000	\$262,500	\$275,625	\$1,281,758					\$0	\$0
Canyon Court/Foreshill Ave.	\$903	\$18,283	\$215,000	\$0	\$0	\$0	\$235,188					\$0	\$0
North McDaniel/Skyridge Sewer	\$0	\$30,088	\$10,000	\$0	\$0	\$0	\$40,088					\$0	\$0
Emergency Sewer Repair Projects	\$200,038	\$290,805	\$300,000	\$250,000	\$262,500	\$275,625	\$1,868,474					\$0	\$0
Sewer Map Updates	\$23,708	\$2,687	\$50,000	\$0	\$0	\$0	\$78,395					\$0	\$0
Prospector Hill Sewer Projects	\$0	\$7,626	\$15,000	\$0	\$0	\$0	\$22,626					\$0	\$0
WWTP Repairs/Projects	\$20,325	\$124,695	\$200,000	\$0	\$0	\$0	\$345,020					\$0	\$0
Collection Systems TV Equipment	\$144	\$0	\$0	\$0	\$0	\$0	\$144					\$0	\$0
Robie Point Sewer Repair	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000					\$0	\$0
WWTP SCADA System	\$0	\$26,671	\$20,000	\$0	\$0	\$0	\$46,671					\$0	\$0
Guntle Ditch -WWTP	\$0	\$651	\$10,000	\$0	\$0	\$0	\$10,651					\$0	\$0
NPDES Permit Renewal	\$4,074	\$7,380	\$0	\$0	\$0	\$0	\$11,454					\$0	\$0
Back Flow Preventer Device	\$0	\$4,114	\$5,000	\$0	\$0	\$0	\$9,114					\$0	\$0
Teletesting Van	\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$0
WWTP Line Ponds 1A & 4	\$0	\$47,485	\$600,000	\$0	\$0	\$0	\$647,485					\$0	\$0
WWTP Additional Storage	\$0	\$10,000	\$10,000	\$0	\$0	\$0	\$20,000					\$0	\$0
Develop Source Control Program	\$0	\$1,972	\$40,000	\$0	\$0	\$0	\$41,972					\$0	\$0
Upper Village Oaks Litrlation	\$0	\$96,528	\$600,000	\$0	\$0	\$0	\$696,528					\$0	\$0
Lower Village Oaks Litrlation	\$0	\$12,882	\$0	\$0	\$0	\$0	\$12,882					\$0	\$0
Thermal Impact Study	\$0	\$878	\$0	\$0	\$0	\$0	\$878					\$0	\$0
Ultraviolet Disinfection	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000			82%	18%	\$40,909	\$9,091
Vector Truck	\$0	\$0	\$350,000	\$0	\$0	\$0	\$350,000					\$0	\$0
Hydro Jet Unit	\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000					\$0	\$0
Subtotal	\$260,865	\$789,046	\$2,692,000	\$600,000	\$630,000	\$661,500	\$6,771,774					\$40,909	\$9,091
WWTP Upgrade													
Development of an SSES Program				\$200,000	\$50,000	\$50,000	\$350,000			82%	18%	\$285,384	\$63,636
Trace Pollutant Studies/ Public Education				\$100,000	\$100,000	\$100,000	\$300,000			82%	18%	\$246,364	\$53,636
PreDesign of WWTP Upgrades			\$50,000	\$0	\$0	\$0	\$50,000			82%	18%	\$41,564	\$8,436
Design of WWTP Upgrades			\$900,000	\$25,000	\$0	\$0	\$925,000			82%	18%	\$762,500	\$162,500
Planning (CEDA/ Financing) for WWTP Upgrades			\$25,000	\$0	\$0	\$0	\$25,000			82%	18%	\$20,455	\$4,545
Construction				\$500,000	\$600,000	\$600,000	\$1,700,000			82%	18%	\$1,404,000	\$296,000
Chemical Feed and Storage Facilities				\$1,000,000	\$8,000,000	\$8,000,000	\$9,000,000			82%	18%	\$7,380,000	\$1,620,000
Denitrification Facilities				\$0	\$0	\$0	\$0			82%	18%	\$0	\$0
UV Disinfection Facilities				\$500,000	\$1,000,000	\$1,000,000	\$2,500,000			82%	18%	\$2,040,000	\$460,000
Membrane Filtration				\$100,000	\$800,000	\$800,000	\$1,700,000			82%	18%	\$1,404,000	\$296,000
Allowance for Unknown Projects				\$2,875,000	\$8,560,000	\$150,000	\$11,585,000			82%	18%	\$9,568,636	\$2,016,364
Construction Services (Eng Services, CM, Inspection)	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000			82%	18%	\$41,564	\$8,436
Subtotal	\$260,865	\$789,046	\$2,817,000	\$3,375,000	\$9,075,000	\$761,250	\$11,745,000			82%	18%	\$9,603,545	\$2,141,455
TOTAL													

Prepared by ECOLOGIC

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AUBR_Sewer_2007.mdl 2_V2WW Cap Cost Sum- Upgrade WWTP 4/11

Section 3

Sewer Rate Analysis & Financing Plan**3.1 SEWER RATE ANALYSIS**

The calculated sewer rates are based on a systematic analysis of the sewer contribution made by various land uses and the costs required to collect and treat sewer influent. In the case of City of Auburn, which is a small community, only assumed wastewater flow is used to determine the relative impact each customer has on the sewer system.

The sewer rate model allocates both current and projected costs to the various customer categories based on their relative contribution to the sewer system influent (based on flow only). The allocation of costs between customer categories is based on existing sewer rate or use factors used by the City of Auburn.

Sewer expenditures include the following categories:

- Administrative Expenses
- Materials and Services
- Contract Operations
- Capital Projects/Facility Replacement
- Capital Outlay
- Expenditure Reimbursement (GF-Admin.)
- Additional Costs due to Local Project
- Debt Service

Once the costs are allocated to the various customer categories, rates are determined by dividing the allocated costs by the number of users/accounts in each category or classification. A more detailed description follows.

The following discussion provides an overview and or summary of the rate analysis. The model tables for fiscal year 2007-08 are included in **Appendix A**.

3.1.1 HISTORICAL AND BUDGETED REVENUES

Table 3-1 shows the actual and or estimated revenues and expenses for 1999-00 through 2005-06, as well as the budgeted revenues and expense for 2006-07.

Table 3-1
Summary of Revenues and Expenses

	Fiscal Year Ended June 30						% Change 2002-2007		
	Actual			Estimated		Budgeted 2007			
	2000	2001	2002	2003	2004			2005	
REVENUES									
Sewer Service Charges	\$2,703,670	\$2,628,824	\$2,472,123	\$2,481,455	\$2,668,627	\$2,471,822	\$2,500,000	0.22%	
Sewer Connection Fees	\$102,611	\$94,007	\$121,181	\$269,849	\$270,045	\$301,682	\$265,000	16.94%	
Sewer Development Fees	\$175,380	\$107,154	\$165,801	\$231,504	\$2,987	\$0	\$0	(100.00%)	
Interest Income	\$140,184	\$196,301	\$111,159	\$164,203	\$49,289	\$86,398	\$115,000	0.88%	
Other Revenues	\$109,315	\$430,272	\$0	\$0	\$0	\$0	\$0		
Debt Proceeds	\$1,532,782	\$1,178,736	\$0	\$0	\$0	\$0	\$0		
Subtotal Revenues	\$4,763,942	\$4,637,294	\$2,870,264	\$3,146,811	\$2,990,948	\$2,859,902	\$2,930,322	0.07%	
EXPENSES									
Operating Expenses									
Administrative Expenses	\$46,576	\$50,037	\$47,688	\$80,560	\$118,698	\$133,689	\$170,377	28.16%	
Materials and Services	\$74,210	\$109,891	\$75,844	\$182,899	\$160,534	\$110,012	\$212,168	44.00%	
Contract Operations	\$1,089,712	\$1,079,367	\$1,229,972	\$1,298,744	\$1,360,895	\$1,353,387	\$1,446,127	5.57%	
Capital Projects	\$3,818,423	\$1,573,704	\$169,368	\$640,623	\$355,075	\$260,665	\$621,787		
Capital Outlay	\$92,166	\$19,225	\$0	\$11,714	\$13,512	\$1,483	\$5,000		
Expenditure Reimburse (GF-Admin.)	\$22,143	\$21,679	\$19,544	\$25,136	\$26,849	\$133,120	\$66,479	34.87%	
Subtotal Expenses	\$5,143,230	\$2,853,903	\$1,542,416	\$2,239,676	\$2,035,563	\$1,992,366	\$2,521,938	8.87%	
Net Operating Revenues	(\$379,288)	\$1,783,391	\$1,327,848	\$907,135	\$955,385	\$867,536	\$408,384	(17.07%)	
Debt Service									
Current Debt Service [1]	\$277,719	\$277,719	\$2,114,876	\$284,348	\$282,234	\$284,663	\$284,348		
Subtotal Debt Service	\$277,719	\$277,719	\$2,114,876	\$284,348	\$282,234	\$284,663	\$284,348		
Debt Coverage Ratio	(1.37)	6.42	0.63	3.19	3.39	3.05	1.83		
Non-Operating Expenses									
General Reserve (8%)	\$128,202	\$124,633	\$279,034	\$150,672	\$157,018	\$180,482	\$205,117	(5.97%)	
Subtotal	\$128,202	\$124,633	\$279,034	\$150,672	\$157,018	\$180,482	\$205,117	(5.97%)	
Subtotal Expenses	\$5,549,151	\$3,256,255	\$3,936,326	\$2,674,696	\$2,474,815	\$2,457,511	\$2,984,657	(6.26%)	
Net Op. Rev after D/S	(\$785,209)	\$1,381,039	(\$1,066,062)	\$472,115	\$516,133	\$402,391	(\$54,335)	\$31,245	
Depreciation							\$316,801	\$316,801	

Source: City of Auburn

[1] Current debt service is for an existing SRF loan for past sewer treatment improvements. The loan will be fully repaid in 2019-20.

Prepared by ECO-LOGIC

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AUBR_Sewer_2007 mdl_2 v2/Hist_Budget_4/rf

3.1.2 SEWER CUSTOMERS

Table 3-2 summarizes the sewer customers, both residential and commercial. The City bills its sewer service charge annually with the property tax assessment rolls. Table 3-2 shows both the parcel count for residential and non-residential users, but also the "billing units." The City charges residential parcels on a per unit basis. However, the basis for charge for non-residential uses varies from a per square foot (sqft) basis, to students, to chairs, etc. This information is summarized in Table 3-2.

The assumed flow per user is also shown in Table 3-2. The flow factors are based on the current sewer use factors used by the City. These factors were determined as part of a previous rate analysis and no change is proposed in these assumptions as part of this study.

A single family unit is considered one equivalent dwelling unit (EDU). The flow assumed for a single family unit is 187 gallons per day (gpd), which is based on an assumed use of 85 gallons per person and there being on average 2.2 people per household in the City of Auburn. For the other billing categories, the EDU factor is multiplied times the single family unit flow (gpd) to determine each categories assumed respective sewer use. There are an estimated 6,852 total EDUs based on flow only.

It should be clarified that in the case of residential units with sewer lift stations, the EDU factor is not necessarily representative of flow, but rather, a function of the way the parcel is charged. The EDU factors have been adjusted, not based on flow, but on the ratio these units pay monthly relative to a single family unit or one EDU. Appendix D provides further explanation of the additional allocated costs to sewer lift stations.

There are a total of 4,327 residential parcels representing approximately 5,637 residential units. There are a total of 607 non-residential parcels.

This rate analysis recommends that duplexes, triplexes, and condos be separated into their customer category. Rather than two general categories of residential users, single family and multiple dwellings, it is recommended that there be three general categories:

- Single Family
- Duplex, Triplex, Condo, and Townhome
- Multi-Family (Apartment)

This rate structure is similar to that of Placer County and recognizes that duplexes, triplexes, and condos typically have more people per household than an apartment but less than a single family dwelling unit.

Table 3-2
Summary of Wastewater User Characteristics

Customer Category	Basis of Charge	Parcel Units/Accounts	Billing Units	EDU Factor	Wastewater Characteristics [1] ADWF/User GPD	Existing Flow MGD	Treatment Capacity MGD	Total Annual Capacity MGD
Residential								
Single Family	per Unit	2,985	3,073	1.00	187	0.5747	206.77	206.77
Single Family w/1 Sewer Ltr Stat. [2]	per Unit	447	448	1.22	227	0.1018	37.17	37.17
Single Family w/2 Sewer Ltr Stat. [2]	per Unit	511	511	1.43	288	0.1308	48.92	48.92
Single Family w/3 Sewer Ltr Stat. [2]	per Unit	81	81	1.65	208	0.0188	6.88	6.88
Subtotal - Single Family		4,094	4,883			0.8321	383.71	383.71
Duplex/Triplex/Condo	per Unit	-	315	0.77	144	0.0454	18.58	18.58
Multi-Family (Flat fee per Unit)	per Unit	322	1,226	0.71	134	0.1838	58.73	58.73
Multi-Family (Sewer Ltr Station) [2]	per Unit	1	3	0.88	184	0.0008	0.20	0.20
Subtotal - Multi-Family		323	1,644			0.2096	78.51	78.51
Non-Residential								
Auto Dealership	per 1,000 SF	3	32	0.20	37	0.0012	0.43	0.43
Bank/Financial Inst.	per 1,000 SF	11	50	0.30	56	0.0046	1.83	1.83
Bakery	per 1,000 SF	5	6	1.70	318	0.0020	0.72	0.72
Bar	per 1,000 SF	7	16	0.70	131	0.0020	0.74	0.74
Dry Cleaner	per 1,000 SF	3	5	1.70	318	0.0015	0.53	0.53
Hall, Lodge, Auditorium	per 1,000 SF	6	51	0.30	66	0.0028	1.04	1.04
Health Studio, Gym	per 1,000 SF	3	13	0.30	56	0.0027	0.27	0.27
Market w/Disposal Unit	per 1,000 SF	2	34	1.00	187	0.0064	2.34	2.34
Market w/Disposal Unit	per 1,000 SF	2	28	0.20	37	0.0010	0.38	0.38
Medical/Dental Office	per 1,000 SF	41	117	0.40	76	0.0087	3.19	3.19
Business Office	per 1,000 SF	184	1,388	0.20	37	0.0050	18.34	18.34
Place of Worship	per 1,000 SF	15	134	0.20	37	0.0167	1.83	1.83
Public Agency	per 1,000 SF	9	148	0.60	112	0.0024	0.89	0.89
Mortuary	per 1,000 SF	2	10	1.30	243	0.0081	6.10	6.10
Restaurant, Take-out Only	per 1,000 SF	38	81	2.50	488	0.0513	13.90	13.90
Retail	per 1,000 SF	11	14	2.00	374	0.0033	1.94	1.94
Warehouse	per 1,000 SF	159	1,103	0.20	37	0.0027	1.00	1.00
Used Car Lot	per 1,000 SF	14	147	0.10	19	0.0004	0.14	0.14
Car Wash	per 10 bays	2	10	0.20	37	0.0005	0.19	0.19
Barber/Beauty Shop	per Chair	1	4	0.70	131	0.0086	2.51	2.51
Bowling Alley	per Lane	32	184	0.40	76	0.0078	2.85	2.85
Hotel, Motel	per Sleeping Room	5	139	0.30	58	0.0070	2.87	2.87
Self Service Laundry	per Machine	3	84	0.50	94	0.0053	1.85	1.85
Garage	per Bay	27	280	0.10	19	0.0070	2.34	2.34
Rest Home/Boarding House	per Bed	3	124	0.30	58	0.0021	0.75	0.75
School	per 100 Students	7	34	1.00	187	0.0011	0.41	0.41
Service Station	per Pump	11	110	0.10	19	0.0000	0.00	0.00
Theatre	per 100 Seats	2	20	0.30	58	0.2386	87.48	87.48
Brewery	per 1,000 SF	-	4,401	4.80	898	1.2813	467.88	467.88
Subtotal Non-Residential		607	4,401			0.1370	50.0	50.0
SUBTOTAL		4,934	19,038			1.4183	617.69	617.69
TOTAL								
Estimated EDUs (based on Flow & Sewer Ltr Charge)			6,852					

*unc_characteristics

[1] Only flow is considered in this rate analysis. This is typical for smaller cities.

[2] The EDU and flow factor for units requiring use of sewer lift stations is increased to account for additional costs related to operating and maintaining the sewer lift station. See Tables D-1 and D-2 for details.

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Other than this proposed change to the rate structure, there are no other proposed changes to the rate structure at this time (i.e., no proposed changes to the flow/EDU factors for non-residential users).

3.1.3 PROJECTED REVENUES AND EXPENSES

In the rate analysis, or revenue model, the expenses are projected based off of budgeted expenses for 2006-07. Expenses are projected through 2011-12 as shown in Table 3-3. More detailed tables that also show how these costs are allocated to treatment and collection are provided in Appendix C. The costs are projected based on the following percentages:

▪ Administrative Expenses	7.0%
▪ Materials and Services	5.0%
▪ Contract Operations	5.0%
▪ Capital Projects/Facility Replacement	5.0%
▪ Capital Outlay	5.0%
▪ Expenditure Reimburse (GF-Admin.)	5.0%
▪ Additional Costs due to Local Project	5.0%

Included in the expenses is an assumption for debt service. There are three scenarios assumed in the debt service calculation as shown in Table 3-4. The main difference between the scenarios is the assumed use of existing fund reserves applied to the project cost thereby reducing the amount of the project costs to be borrowed. Scenario 1 assumes no use of reserve funds, Scenario 2 assumes \$1,000,000 in reserve funds, and Scenario 3 assumes \$2,000,000 in reserve funds. The financing terms that are assumed are the same for each scenario.

It should be noted that the financing assumptions, such as the interest rate and term, are only assumptions. Actual financing terms will be determined by the lender at the time of financing and will be based on market conditions at that point in time.

The projected expenses also include a revenue offset line item. The rate analysis assumes that the City will have a minimum of 25 new EDUs of development each year and that they will pay a sewer connection fee. The revenue offset assumes that the City transfers the sewer treatment portion of the fee to the sewer operating fund to go towards new development's share of debt service on the project. Chapter 4 discusses the fee assumptions in greater detail.

Table 3-3
Summary of Projected Expenses through 2011-12 – Scenario 1

	Budgeted	Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Administrative Expenses	\$164,911	\$176,455	\$188,807	\$202,023	\$216,165	\$231,296
Materials and Services	\$469,800	\$493,080	\$517,734	\$543,621	\$570,802	\$599,342
Contract Operations	\$1,612,571	\$1,693,200	\$1,777,860	\$1,866,753	\$1,960,090	\$2,058,095
Capital Projects/Facility Replacement	\$0	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304
Capital Outlay	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388	\$31,907
Expenditure Reimburse (GF-Admin.)	\$87,208	\$91,568	\$96,147	\$100,954	\$106,002	\$111,302
Additional Costs due to Local Project	\$0	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Subtotal	\$2,359,290	\$3,130,553	\$3,290,609	\$3,458,916	\$3,635,902	\$3,822,021
Current Debt Service	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348
Additional Debt Service	\$0	\$826,000	\$826,000	\$826,000	\$826,000	\$826,000
General Reserve	\$180,485	\$310,252	\$335,190	\$331,323	\$318,777	\$317,653
Capital Reserve for Regional Project	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,824,123	\$4,551,153	\$4,736,148	\$4,900,587	\$5,085,027	\$5,250,022
Credit/Offset for Other Revenues (Fee Revenue)	\$0	(\$70,171)	(\$70,171)	(\$70,171)	(\$70,171)	(\$70,171)
Adjusted Total	\$2,824,123	\$4,480,982	\$4,665,976	\$4,830,416	\$4,994,856	\$5,179,850
Percent Increase		58.7%	4.1%	3.5%	3.4%	3.7%

Table 3-4
Summary of Financing Assumptions and Debt Service Calculation

Item	Assumptions	Estimated Bond Sizing		
		Scenario 1	Scenario 2	Scenario 3
		No Use of Capital Reserves	\$1 Million In Cap. Res. Used	\$2 Million In Cap. Res. Used
<u>Total Loan/Bonds</u>				
Total Estimated Project Costs		\$11,745,000	\$11,745,000	\$11,745,000
Less Reserves on Hand		\$0	(\$1,000,000)	(\$2,000,000)
Proceeds		\$11,745,000	\$10,745,000	\$9,745,000
Capitalized Interest	0 Months	\$0	\$0	\$0
Issuance Costs	4.0%	\$469,800	\$429,800	\$389,800
Bond Reserve Fund/WCRF		\$826,000	\$756,000	\$685,000
Loan/Bond Size		\$13,040,800	\$11,930,800	\$10,819,800
Adjustment for Rounding		\$19,200	\$17,200	\$16,200
Total Loan/Bond Size		\$13,060,000	\$11,948,000	\$10,836,000
<u>Annual Costs</u>				
Estimated Gross Debt Service		\$825,515	\$755,227	\$684,938
Estimated Gross Debt Service - Rounded		\$826,000	\$756,000	\$685,000
<u>Assumptions ^[1]</u>				
Interest Rate		4.75%	4.75%	4.75%
Term		30 Years	30 Years	30 Years
Bond Load Factor		1.1120	1.1120	1.1120

[1] Bond issuance assumptions are estimates only. Actual bond pricing will be determined based on market conditions at the time of bond issuance.

3.2 PROJECTED RATE IMPACT

Table 3-5 below summarizes the projected rate impact for 2007-08. The additional debt service from the capital improvement projects significantly impacts the rate needed to support the City. As shown on Table 3-5 the additional debt service adds another \$8.33 to \$10.05 per EDU in revenue needs (depending on whether the City uses existing reserves to fund part of the project or not).

In addition to the new debt service, there are increased operations and maintenance costs (O&M), which represents about an average of 4 percent cost increase per year. It was also assumed that the City would have on-going facility replacement needs for existing infrastructure (e.g., collection system, sewer lift stations, etc.). The model assumes approximately \$600,000 in these types of expenses in 2007-08, which adds approximately \$4.50 per month per EDU. It should be noted that this expense line item is intended to encompass annual depreciation as well.

Table 3-5
Summary of Rate Impact for 2007-08

Item	Estimated Cost		
	Full Cost Financing	With \$1 M Reserves Applied to Prj. Cost	With \$2 M Reserves Applied to Prj. Cost
WWTP Facility Upgrade Project	\$11,745,000	\$10,745,000	\$9,745,000
Additional Financing Costs	\$1,315,000	\$1,203,000	\$1,091,000
Subtotal Costs	\$13,060,000	\$11,948,000	\$10,836,000
Estimated New Debt Service	\$826,000	\$756,000	\$685,000
Total Estimated EDUs	6,852	6,852	6,852
Annual Cost per EDU	\$120.55	\$110.34	\$99.97
Monthly Cost per EDU	\$10.05	\$9.19	\$8.33
Current Cost per EDU	\$35.00	\$35.00	\$35.00
Estimated Cost per EDU	\$45.05	\$44.19	\$43.33
Additional Est. Projected Rate Impact (2007-08)			
O&M Cost Increase	\$1.49	\$1.49	\$1.49
Capital Projects/Facility Replacement	\$4.50	\$4.50	\$4.50
General Reserve for Debt Service Coverage	\$3.46	\$3.22	\$3.18
Subtotal	\$9.45	\$9.21	\$9.17
Total Estimated Cost per EDU FY2007-08	\$54.50	\$53.40	\$52.50
<i>Difference (cost per month per EDU)</i>		\$1.10	\$2.00

The final rate component impact is one of providing adequate debt service coverage for purposes of meeting projected financing requirements. Lenders almost always include a debt service coverage covenant in loan or bond documents that require the borrower to set rates at a high enough level that net revenues will cover debt service by some factor ranging from as low as 1.10

times to as high as 1.60 times, depending on the credit quality of the borrower. The rate model has assumed a coverage ratio of at least 1.2 times (and 1.1 times excluding development impact fee revenue. These are only assumptions at this time, the actual coverage requirements will be determined at the time of financing.

Overall, it is projected that the minimum monthly rate per EDU would need to be increased from \$35.00 to \$54.50 as shown in the cash flow projection in Table 3-6 (Scenario 1), to \$53.40 in Table 3-7 (Scenario 2), or to \$52.50 in Table 3-8 (Scenario 3).

Table 3-9 shows the project rate increases for all customer categories through 2011-12.

It should be noted that there are residential units within the City that are designated as low income and are subsidized with Community Development Block Grant (CDBG) funding. These units receive a \$13.00 per month discount off of the current rate. It is assumed that this discount will continue to apply. These units (approximately 139 units) will receive a \$13.00 per month discount off of the adopted rate per the appropriate customer category (e.g., single family, multi-family, etc.). The rate reduction for low income households is back filled by the City from CDBG funds, so other rate payers will not bear costs that would otherwise be allocated to the low income households if there were no rate reduction.

Section 3

Sewer Rate Analysis & Financing Plan

Table 3-6
Cash Flow Summary – Full Project Cost Financed

	Inflation Assumption	Budget 2006-07	Projected				
			2007-08	2008-09	2009-10	2010-11	2011-12
Revenues							
Monthly Charge		\$35,000	\$54.50	\$58.75	\$58.75	\$60.75	\$63.00
Sewer Sales		\$2,500,000	\$4,480,982	\$4,665,976	\$4,830,416	\$4,994,856	\$5,179,850
Other Revenues							
Sewer Connection Charges [1]		\$285,000	\$70,171	\$70,171	\$70,171	\$70,171	\$70,171
Interest Income		\$115,000	\$0	\$0	\$0	\$0	\$0
Other Revenues		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$115,000	\$0	\$0	\$0	\$0	\$0
Subtotal Revenues		\$2,880,000	\$4,551,153	\$4,736,148	\$4,900,587	\$5,065,027	\$5,250,022
Expenses							
Administrative Expenses	7.0%	\$184,911	\$176,455	\$188,807	\$202,023	\$216,165	\$231,286
Materials and Services	5.0%	\$469,600	\$493,080	\$517,734	\$543,821	\$570,802	\$599,342
Contract Operations	5.0%	\$1,812,571	\$1,893,200	\$1,777,860	\$1,886,753	\$1,980,080	\$2,058,085
Capital Projects/Facility Replacement [2]	5.0%		\$800,000	\$830,000	\$861,500	\$894,575	\$729,304
Capital Outlay	5.0%	\$25,000	\$28,250	\$27,583	\$28,941	\$30,388	\$31,907
Expenditure Reimburse (GF-Admin.)	5.0%	\$87,208	\$91,588	\$98,147	\$100,954	\$106,002	\$111,302
Additional Costs due to Local Project	5.0%		\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Subtotal Expenses		\$2,359,290	\$3,130,553	\$3,290,609	\$3,458,916	\$3,635,902	\$3,822,021
Net Revenue Before D/S & Depreciation		\$520,710	\$1,420,600	\$1,445,538	\$1,441,671	\$1,429,125	\$1,428,001
Debt Service							
Current Debt Service		\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348
Add'l Debt Service			\$826,000	\$826,000	\$826,000	\$826,000	\$826,000
Total Debt Service		\$284,348	\$1,110,348	\$1,110,348	\$1,110,348	\$1,110,348	\$1,110,348
Debt Service Coverage		1.83	1.28	1.30	1.30	1.29	1.29
Debt Service Coverage w/o Fee Transfer		0.90	1.22	1.24	1.24	1.22	1.22
Cap. Reserve for Regional Project [3]	5.0%	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$2,643,638	\$4,240,901	\$4,400,957	\$4,569,264	\$4,746,250	\$4,932,369
Net Revenue After D/S		\$236,362	\$310,252	\$335,190	\$331,323	\$318,777	\$317,653
Net Revenue as % of Total Expenses			7.3%	7.6%	7.3%	6.7%	6.4%
Beginning Operating Balance [4]		\$4,786,813	\$2,431,175	\$2,741,427	\$3,076,817	\$3,407,941	\$3,726,717
Net Revenues		\$238,362	\$310,252	\$335,190	\$331,323	\$318,777	\$317,653
Capital Projects Funded by Reserves		(\$2,592,000)					
Reserves Used for CIP Financing		\$0					
Ending Operating Balance		\$2,431,175	\$2,741,427	\$3,076,817	\$3,407,941	\$3,726,717	\$4,044,370
Target Operating Balance [5]		\$1,179,645	\$1,565,276	\$1,645,305	\$1,729,458	\$1,817,951	\$1,911,010

"proj_cashflow"

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:
Calculated Dev Imp Fee Treatment Only \$2,807
Number of New EDUS per Year 25.00 Total revenues = \$70,171.18

[2] Based on projected facility replacement/depreciation requirements. FY 2008-07 funded out of reserves.

[3] None Assumed.

[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.

[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

Section 3

Sewer Rate Analysis & Financing Plan

Table 3-7
Cash Flow Summary – Assuming \$1 M in Reserves Applied to Project Cost

	Inflation Assumption	Budget 2006-07	Projected				
			2007-08	2008-09	2009-10	2010-11	2011-12
Revenues							
Monthly Charge		\$35.00	\$53.40	\$55.40	\$57.40	\$59.40	\$61.60
Sewer Sales		\$2,800,000	\$4,390,796	\$4,565,248	\$4,719,665	\$4,884,144	\$5,065,038
Other Revenues							
Sewer Connection Charges [1]		\$285,000	\$70,171	\$70,171	\$70,171	\$70,171	\$70,171
Interest Income		\$115,000	\$0	\$0	\$0	\$0	\$0
Other Revenues		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$115,000	\$0	\$0	\$0	\$0	\$0
Subtotal Revenues		\$2,880,000	\$4,460,967	\$4,625,417	\$4,789,836	\$4,954,315	\$5,135,210
Expenses							
Administrative Expenses	7.0%	\$184,911	\$176,455	\$188,807	\$202,023	\$216,185	\$231,298
Materials and Services	5.0%	\$489,800	\$493,080	\$517,734	\$543,621	\$570,802	\$599,342
Contract Operations	5.0%	\$1,612,671	\$1,693,200	\$1,777,860	\$1,868,753	\$1,960,090	\$2,058,085
Capital Projects/Facility Replacement [2]	5.0%		\$600,000	\$630,000	\$661,500	\$694,575	\$729,304
Capital Outlay	5.0%	\$25,000	\$26,250	\$27,583	\$28,941	\$30,388	\$31,907
Expenditure Reimburses (GF-Admin.)	5.0%	\$87,208	\$91,568	\$96,147	\$100,954	\$106,002	\$111,302
Additional Costs due to Local Project	5.0%		\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Subtotal Expenses		\$2,359,290	\$3,130,553	\$3,290,809	\$3,468,918	\$3,635,902	\$3,822,021
Net Revenue Before D/S & Depreciation		\$520,710	\$1,330,415	\$1,334,607	\$1,330,880	\$1,318,413	\$1,313,189
Debt Service							
Current Debt Service		\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348
Add'l Debt Service			\$758,000	\$758,000	\$758,000	\$758,000	\$758,000
Total Debt Service		\$284,348	\$1,040,348	\$1,040,348	\$1,040,348	\$1,040,348	\$1,040,348
Debt Service Coverage		1.83	1.28	1.28	1.28	1.27	1.26
Debt Service Coverage w/o Fee Transfer		0.90	1.21	1.22	1.21	1.20	1.19
Cap. Reserve for Regional Project [3]	5.0%	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$2,643,638	\$4,170,901	\$4,330,957	\$4,499,264	\$4,676,250	\$4,862,369
Net Revenue After D/S		\$236,362	\$290,067	\$294,459	\$290,602	\$278,065	\$272,841
Net Revenue as % of Total Expenses			7.0%	6.8%	6.5%	5.9%	5.6%
Beginning Operating Balance [4]		\$4,786,813	\$1,431,175	\$1,721,242	\$2,015,701	\$2,306,303	\$2,584,368
Net Revenues		\$236,362	\$290,067	\$294,459	\$290,602	\$278,065	\$272,841
Capital Projects Funded by Reserves		(\$2,592,000)					
Reserves Used for CIP Financing		(\$1,000,000)					
Ending Operating Balance		\$1,431,175	\$1,721,242	\$2,015,701	\$2,306,303	\$2,584,368	\$2,857,209
Target Operating Balance [5]		\$1,179,645	\$1,585,276	\$1,645,305	\$1,729,458	\$1,817,951	\$1,911,010

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:
 Calculated Dev Imp Fee Treatment Only \$2,607

Number of New EDUS per Year 25.00 Total revenues = \$70,171.18

[2] Based on projected facility replacement/depreciation requirements. FY 2006-07 funded out of reserves.

[3] None Assumed.

[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.

[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

"Proj. Cash Flow"

Table 3-8
Cash Flow Summary – Assuming \$2M in Reserves Applied to Project Cost

	Inflation Assumption	Budget 2006-07	2007-08	2008-09	Projected 2009-10	2010-11	2011-12
Revenues							
Monthly Charge		\$35.00	\$52.50	\$54.25	\$58.25	\$58.25	\$60.50
Sewer Sales		\$2,500,000	\$4,316,794	\$4,460,687	\$4,525,137	\$4,789,586	\$4,974,591
Other Revenues							
Sewer Connection Charges [1]		\$265,000	\$70,171	\$70,171	\$70,171	\$70,171	\$70,171
Interest Income		\$115,000	\$0	\$0	\$0	\$0	\$0
Other Revenues		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$115,000	\$0	\$0	\$0	\$0	\$0
Subtotal Revenues		\$2,880,000	\$4,386,965	\$4,530,858	\$4,595,308	\$4,859,757	\$5,044,762
Expenses							
Administrative Expenses	7.0%	\$164,911	\$176,455	\$188,807	\$202,023	\$216,185	\$231,288
Materials and Services	5.0%	\$468,800	\$493,080	\$517,734	\$543,621	\$570,802	\$599,342
Contract Operations	5.0%	\$1,612,571	\$1,693,200	\$1,777,860	\$1,866,753	\$1,960,090	\$2,058,095
Capital Projects/Facility Replacement [2]	5.0%		\$600,000	\$630,000	\$661,500	\$694,575	\$729,304
Capital Outlay	5.0%	\$26,000	\$26,250	\$27,563	\$28,941	\$30,388	\$31,907
Expenditure Reimburse (GF-Admin.)	5.0%	\$87,208	\$91,588	\$96,147	\$100,954	\$106,002	\$111,302
Additional Costs due to Local Project	5.0%		\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Subtotal Expenses		\$2,359,290	\$3,130,583	\$3,290,609	\$3,458,916	\$3,635,902	\$3,822,021
Net Revenue Before D/S & Depreciation		\$520,710	\$1,256,413	\$1,240,249	\$1,236,392	\$1,223,855	\$1,222,742
Debt Service							
Current Debt Service		\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348
Add'l Debt Service			\$685,000	\$685,000	\$685,000	\$685,000	\$685,000
Total Debt Service		\$284,348	\$969,348	\$969,348	\$969,348	\$969,348	\$969,348
Debt Service Coverage		1.83	1.30	1.28	1.29	1.28	1.26
Debt Service Coverage w/o Fee Transfer		0.90	1.22	1.21	1.20	1.19	1.19
Cap. Reserve for Regional Project [3]	5.0%	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$2,643,638	\$4,099,901	\$4,269,957	\$4,428,264	\$4,605,250	\$4,791,369
Net Revenue After D/S		\$236,362	\$287,065	\$270,901	\$267,044	\$254,507	\$253,394
Net Revenue as % of Total Expenses			7.0%	6.4%	6.0%	5.5%	5.3%
Beginning Operating Balance [4]							
		\$4,786,813	\$431,175	\$718,240	\$989,140	\$1,256,184	\$1,510,691
Net Revenues							
		\$236,362	\$287,065	\$270,901	\$267,044	\$254,507	\$253,394
Capital Projects Funded by Reserves							
		(\$2,582,000)					
Reserves Used for CIP Financing							
		(\$2,000,000)					
Ending Operating Balance		\$431,175	\$718,240	\$989,140	\$1,256,184	\$1,510,691	\$1,764,084
Target Operating Balance [5]		\$1,179,645	\$1,665,276	\$1,645,305	\$1,729,458	\$1,817,951	\$1,911,010

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:

Calculated Dev Imp Fee Treatment Only \$2,807

Number of New EDUS per Year 25.00 Total revenues = \$70,171.18

[2] Based on projected facility replacement/depreciation requirements. FY 2006-07 funded out of reserves.

[3] None Assumed.

[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.

[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

"proj_cashflow"

Table 3-9
Rate Summary - Current vs. Calculated Rates

	Current Rate	Local WWTP Project					Local WWTP Project w/Use of \$1.0 M In Cap Reserves				
		2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12
Residential [1]											
Single Family											
Single Family w/1 Sewer Lift Stat.	\$35.00	\$64.50	\$56.75	\$58.75	\$60.75	\$63.00	\$53.40	\$55.40	\$57.40	\$59.40	\$61.60
Single Family w/2 Sewer Lift Stat.	\$42.56	\$66.25	\$68.88	\$71.41	\$73.84	\$76.58	\$64.91	\$67.34	\$69.77	\$72.20	\$74.88
Single Family w/3 Sewer Lift Stat.	\$50.10	\$78.00	\$81.22	\$84.07	\$86.93	\$90.16	\$76.42	\$78.28	\$82.15	\$85.01	\$88.16
	\$57.65	\$89.74	\$93.45	\$96.74	\$100.03	\$103.75		\$91.23	\$94.52	\$97.82	\$101.44
Duplex/Triplex/Condo											
Multi-Family (Flat fee per Unit)	\$24.00	\$42.02	\$43.75	\$45.30	\$46.84	\$48.58	\$41.17	\$42.72	\$44.26	\$45.80	\$47.50
Multi-Family (Sewer Lift Station)	\$24.00	\$38.91	\$40.52	\$41.95	\$43.38	\$44.99	\$38.13	\$39.56	\$40.99	\$42.41	\$43.98
	\$31.55	\$53.77	\$55.99	\$57.96	\$59.93	\$62.15	\$52.68	\$54.86	\$56.63	\$58.60	\$60.78
Non-Residential											
Auto Dealership	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Bank/Financial Inst.	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.80	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
Bakery	\$59.50	\$92.65	\$96.48	\$99.88	\$103.28	\$107.11	\$90.79	\$94.19	\$97.59	\$100.99	\$104.72
Bar	\$24.50	\$38.15	\$39.73	\$41.13	\$42.53	\$44.10	\$37.38	\$38.78	\$40.18	\$41.58	\$43.12
Dry Cleaner	\$59.50	\$92.65	\$96.48	\$99.88	\$103.28	\$107.11	\$90.79	\$94.19	\$97.59	\$100.99	\$104.72
Hall, Lodge, Auditorium	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.90	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
Health Studio, Gym	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.90	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
Market w/Disposal Unit	\$35.00	\$54.50	\$58.75	\$58.75	\$60.75	\$63.00	\$53.40	\$55.40	\$57.40	\$59.40	\$61.60
Market w/Disposal Unit	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Medical/Dental Office	\$14.00	\$21.80	\$22.70	\$23.50	\$24.30	\$25.20	\$21.36	\$22.16	\$22.96	\$23.76	\$24.64
Business Office	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Place of Worship	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Public Agency	\$21.00	\$32.70	\$34.05	\$35.25	\$36.45	\$37.80	\$32.04	\$33.24	\$34.44	\$35.64	\$36.96
Mortuary	\$45.50	\$70.85	\$73.78	\$76.38	\$78.98	\$81.91	\$69.42	\$72.02	\$74.62	\$77.22	\$80.08
Restaurant	\$87.50	\$136.25	\$141.88	\$146.88	\$151.88	\$157.51	\$133.51	\$138.51	\$143.51	\$148.51	\$154.01
Restaurant, Take-out Only	\$70.00	\$109.00	\$113.50	\$117.50	\$121.50	\$126.01	\$106.81	\$110.81	\$114.81	\$118.81	\$123.21
Retail	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Warehouse	\$3.50	\$5.45	\$5.68	\$5.88	\$6.08	\$6.30	\$5.34	\$5.54	\$5.74	\$5.94	\$6.16
Used Car Lot	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Car Wash	\$24.50	\$38.15	\$39.73	\$41.13	\$42.53	\$44.10	\$37.38	\$38.78	\$40.18	\$41.58	\$43.12
Barber/Beauty Shop	\$7.00	\$10.90	\$11.35	\$11.75	\$12.15	\$12.60	\$10.68	\$11.08	\$11.48	\$11.88	\$12.32
Bowling Alley	\$14.00	\$21.80	\$22.70	\$23.50	\$24.30	\$25.20	\$21.36	\$22.16	\$22.96	\$23.76	\$24.64
Hotel, Motel	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.90	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
Self Service Laundry	\$17.50	\$27.25	\$28.38	\$29.38	\$30.38	\$31.50	\$26.70	\$27.70	\$28.70	\$29.70	\$30.80
per Machine											
per Bay	\$3.50	\$5.45	\$5.68	\$5.88	\$6.08	\$6.30	\$5.34	\$5.54	\$5.74	\$5.94	\$6.16
per Bed	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.90	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
per 100 Students	\$35.00	\$54.50	\$56.75	\$58.75	\$60.75	\$63.00	\$53.40	\$55.40	\$57.40	\$59.40	\$61.60
per Pump	\$3.50	\$5.45	\$5.68	\$5.88	\$6.08	\$6.30	\$5.34	\$5.54	\$5.74	\$5.94	\$6.16
Service Station	\$10.50	\$16.35	\$17.03	\$17.63	\$18.23	\$18.90	\$16.02	\$16.62	\$17.22	\$17.82	\$18.48
Theatre											
Brewery	\$168.00	\$261.42	\$272.21	\$281.80	\$291.39	\$302.19	\$255.42	\$265.01	\$274.61	\$284.20	\$294.99

Prepared by EGO-LOGIC

3-12

AUBR_Sewer_2007 mdf_2 v2/Rate_Sum 4/1/2007

Table 3-9
Rate Summary - Current vs. Calculated Rates

		Current Rate	Local WWTP Project w/Use of \$2 M In Cap Reserves				
			2007-08	2008-09	2009-10	2010-11	2011-12
Residential [1]							
Single Family	per Unit	\$35.00	\$52.50	\$54.25	\$56.25	\$58.25	\$60.50
Single Family w/1 Sewer Lift Stat.	per Unit	\$42.56	\$63.82	\$65.94	\$68.38	\$70.81	\$73.54
Single Family w/2 Sewer Lift Stat.	per Unit	\$50.10	\$75.14	\$77.64	\$80.50	\$83.36	\$86.58
Single Family w/3 Sewer Lift Stat.	per Unit	\$57.65	\$88.45	\$89.34	\$92.63	\$95.92	\$99.63
Duplex/Triplex/Condo	per Unit	\$24.00	\$40.48	\$41.83	\$43.37	\$44.91	\$46.65
Multi-Family (Flat fee per Unit)	per Unit	\$24.00	\$37.49	\$38.74	\$40.16	\$41.59	\$43.20
Multi-Family (Sewer Lift Station)	per Unit	\$31.55	\$51.80	\$53.52	\$55.50	\$57.47	\$59.69
Non-Residential							
Auto Dealership	per 1,000 SF	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Bank/Financial Inst.	per 1,000 SF	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
Bakery	per 1,000 SF	\$59.50	\$89.25	\$92.23	\$95.63	\$99.03	\$102.86
Bar	per 1,000 SF	\$24.50	\$36.75	\$37.98	\$39.38	\$40.78	\$42.35
Dry Cleaner	per 1,000 SF	\$59.50	\$89.25	\$92.23	\$95.63	\$99.03	\$102.86
Hall, Lodge, Auditorium	per 1,000 SF	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
Health Studio, Gym	per 1,000 SF	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
Market w/Disposal Unit	per 1,000 SF	\$35.00	\$52.50	\$54.25	\$56.25	\$58.25	\$60.50
Market w/o Disposal Unit	per 1,000 SF	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Medical/Dental Office	per 1,000 SF	\$14.00	\$21.00	\$21.70	\$22.50	\$23.30	\$24.20
Business Office	per 1,000 SF	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Place of Worship	per 1,000 SF	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Public Agency	per 1,000 SF	\$21.00	\$31.50	\$32.55	\$33.75	\$34.95	\$36.30
Mortuary	per Slumber Room	\$45.50	\$68.25	\$70.53	\$73.13	\$75.73	\$78.65
Restaurant	per 1,000 SF	\$70.00	\$131.26	\$135.63	\$140.63	\$145.63	\$151.26
Restaurant, Take-out Only	per 1,000 SF	\$70.00	\$105.00	\$108.51	\$112.51	\$116.51	\$121.01
Retail	per 1,000 SF	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Warehouse	per 1,000 SF	\$3.50	\$5.25	\$5.43	\$5.63	\$5.83	\$6.05
Used Car Lot	per 10 fixtures	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Car Wash	per Stall	\$24.50	\$36.75	\$37.98	\$39.38	\$40.78	\$42.35
Barber/Beauty Shop	per Chair	\$7.00	\$10.50	\$10.85	\$11.25	\$11.65	\$12.10
Bowling Alley	per Lane	\$14.00	\$21.00	\$21.70	\$22.50	\$23.30	\$24.20
Hotel, Motel	per Sleeping Room	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
Self Service Laundry	per Machine	\$17.50	\$26.25	\$27.13	\$28.13	\$29.13	\$30.25
Garage	per Bay	\$3.50	\$5.25	\$5.43	\$5.63	\$5.83	\$6.05
Rest Home/Boarding House	per Bed	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
School	per 100 Students	\$35.00	\$52.50	\$54.25	\$56.25	\$58.25	\$60.50
Service Station	per Pump	\$3.50	\$5.25	\$5.43	\$5.63	\$5.83	\$6.05
Theatre	per 100 Seats	\$10.50	\$15.75	\$16.28	\$16.88	\$17.48	\$18.15
Brewery	per 1,000 SF	\$168.00	\$251.82	\$260.22	\$269.81	\$279.40	\$290.20

Section 4

Sewer Connection Fee

The City of Auburn currently charges a sewer connection fee of \$3,500 per dwelling unit (for both single and multi-family dwelling units), which was determined by the rate study conducted in 1995. Commercial and Industrial users are charged a minimum fee of \$3,609 plus \$5.25 per gallon of daily water use above 265 gallons per day, or on the basis of strength.

As discussed in Section 2, a portion of the WWTP Upgrade and Expansion project will provide capacity for future users. Approximately 18 percent, or \$2,135,455 in cost, is attributable to new development. Table 4-1 shows the fee associated with the project for new development.

Table 4-1
Calculated Sewer Fee for Treatment Only

ITEM	Assumption	Local WWTP Project
New Development's Share of Total Project Cost		\$2,135,455
Financing Factor [1]	1.11	\$2,367,509
TOTAL COST		\$4,502,963
Additional Capacity Added (GPD)		300,000
Cost per Gallon		\$15.01
Gallons/Day per EDU		187
Cost per EDU		\$2,807

[1] Assumes that 100 percent of the costs are financed:

Financing Costs:

Amount Financed	\$2,135,454.55
Rate	4.75%
Term	30
Bond Load Factor	1.11
Annual Debt Service	\$150,098.78
Total Estimated Interest Charges Paid	\$2,367,508.80

This calculated fee is only for the WWTP project and does not include any buy-in to the existing facilities, particularly for the collection system. Therefore, it is recommended that the fee amount shown in Table 4-1 be added on or in addition to the existing fee charged by the City. As

such the existing fee could be considered a "buy-in" amount to the existing facilities. The revised fee per EDU is shown in Table 4-2. The fee amount also includes an administration charge to allow the City to recuperate costs associated with administering the fee program.

Table 4-2
Revised Sewer Connection Fee per EDU

Item	Amount
Existing Fee Buy-In Amount	\$3,500
New Treatment Capacity	\$2,807
Subtotal	\$6,306.85
Administrative Fee at 2.5%	\$157.67
Total Fee per EDU	\$6,464.52
Total Fee per EDU - Rounded	\$6,465.00

It is proposed that the City consider altering how it charges actual land uses when developers pull building permits. The methodology proposed is similar to how Placer County charges its sewer development impact fee.

The fee per EDU, estimated above at \$6,465 would be multiplied times the equivalent dwelling unit factors that the City basis its monthly sewer charge on, as shown in Table 4-3.

Table 4-3
EDU Factors by Type of Development

Type of Establishment	Equivalent Dwelling Units
<u>Residential</u>	
Single Family	1.000 per Unit
Duplex/Triplex/Condo	0.771 per Unit
Multi-Family	0.714 per Unit
Mobile Home Park	0.714 per Space/Unit
<u>Non-Residential</u>	
Auto Dealership	0.200 per 1,000 SF
Bank/Financial Inst.	0.300 per 1,000 SF
Bakery	1.700 per 1,000 SF
Bar	0.700 per 1,000 SF
Dry Cleaner	1.700 per 1,000 SF
Hall, Lodge, Auditorium	0.300 per 1,000 SF
Health Studio, Gym	0.300 per 1,000 SF
Market w/Disposal Unit	1.000 per 1,000 SF
Market w/o Disposal Unit	0.200 per 1,000 SF
Medical/Dental Office	0.400 per 1,000 SF
Office Building	0.200 per 1,000 SF
Place of Workshop	0.200 per 1,000 SF
Public Agency	0.600 per 1,000 SF
Mortuary	1.300 per Slumber Room
Restaurant	2.500 per 1,000 SF
Restaurant, Take-out Only	2.000 per 1,000 SF
Retail	0.200 per 1,000 SF
Warehouse	0.100 per 1,000 SF
Used Car Lot	0.200 per 10 fixtures
Car Wash	0.700 per Stall
Barber/Beauty Shop	0.200 per Chair
Bowling Alley	0.400 per Lane
Hotel, Motel	0.300 per Sleeping Room
Self Service Laundry	0.500 per Machine
Garage	0.100 per Bay
Rest Home/Boarding House	0.300 per Bed
School	1.000 per 100 Students
Service Station	0.100 per Pump
Theatre	0.300 per 100 Seats
Brewery	4.800 per 1,000 SF

Sewer Rate Model, Scenario 1 – 2007-08

Table A-1
Summary of Wastewater User Characteristics

Customer Category	Basis of Charge	Partial Units/Accounts (A)	Billing Units	EDU Factor	Wastewater Characteristics (1)	Existing Flow MGD (B+C+D+E)	Treatment Capacity (MGD)	Total Annual Capacity (MG)
Residential								
Single Family	per Unit	2,985	3,973	1.00	187	0.5747		209.77
Single Family w/1 Sewer Lift Stat. (2)	per Unit	447	448	1.22	227	0.1018		37.17
Single Family w/2 Sewer Lift Stat. (2)	per Unit	511	511	1.43	298	0.1388		49.92
Single Family w/3 Sewer Lift Stat. (2)	per Unit	61	81	1.85	308	0.0188		6.86
Subtotal - Single Family		4,004	4,993			0.8321		303.71
Duplex/Triplex/Condo	per Unit	-	315	0.77	144	0.0454		16.88
Multi-Family (Flat fee per Unit)	per Unit	322	1,228	0.71	134	0.1638		59.73
Multi-Family (Sewer Lift Station) (2)	per Unit	1	3	0.98	184	0.0068		0.20
Subtotal - Multi-Family		323	1,544			0.2086		76.51
Non-Residential								
Auto Dealership	per 1,000 SF	3	32	0.20	37	0.0012		0.43
Bank/Financial Inst.	per 1,000 SF	11	80	0.30	58	0.0046		1.63
Bakery	per 1,000 SF	5	8	1.70	318	0.0020		0.72
Bar	per 1,000 SF	7	18	1.70	131	0.0020		0.74
Dry Cleaner	per 1,000 SF	3	5	1.70	131	0.0015		0.53
Hotel, Lodge, Auditorium	per 1,000 SF	6	51	0.30	56	0.0029		1.04
Health Studio, Gym	per 1,000 SF	3	13	0.30	56	0.0027		0.27
Market w/Disposal Unit	per 1,000 SF	2	34	1.00	187	0.0084		2.34
Market w/o Disposal Unit	per 1,000 SF	-2	25	0.20	37	0.0010		0.38
Medical/Dental Office	per 1,000 SF	41	117	0.40	75	0.0087		3.19
Business Office	per 1,000 SF	184	1,388	0.20	37	0.0519		18.94
Place of Worship	per 1,000 SF	15	134	0.20	37	0.0050		1.83
Public Agency	per 1,000 SF	9	149	0.60	112	0.0187		8.10
Mortuary	per 1,000 SF	2	10	1.30	243	0.0024		0.89
Restaurant	per 1,000 SF	38	81	2.50	488	0.0381		13.90
Restaurant, Take-out Only	per 1,000 SF	11	14	2.00	374	0.0053		1.94
Retail	per 1,000 SF	158	1,103	0.20	37	0.0413		15.08
Warehouse	per 1,000 SF	14	147	0.10	19	0.0027		1.00
Used Car Lot	per 10 ft. frontage	2	10	0.20	37	0.0004		0.14
Car Wash	per Stall	1	4	0.70	131	0.0065		0.19
Barber/Beauty Shop	per Chair	32	184	0.20	37	0.0069		2.51
Bowling Alley	per Lane	-	-	0.40	75	0.0000		0.00
Hotel, Motel	per Sleeping Room	5	139	0.30	56	0.0078		2.85
Self-Service Laundry	per Machine	3	84	0.50	94	0.0078		2.87
Garage	per Bay	27	286	0.10	19	0.0053		1.95
Rest Home/Boarding House	per Bed	3	124	0.30	56	0.0070		2.54
School	per 100 Students	7	34	1.00	187	0.0084		2.34
Service Station	per Pump	11	110	0.10	19	0.0021		0.75
Theatre	per 100 Seats	2	20	0.30	56	0.0011		0.41
Bravery	per 1,000 SF	-	-	4.90	888	0.0000		0.00
Subtotal Non-Residential		607	4,481			8.2396		87.45
SUBTOTAL		4,934	18,038			12.813		487.88
Infiltration/Inflow						0.1370		50.0
TOTAL						1.4183		517.88
Estimated EDUs (based on Flow & Sewer Lift Charge)			6,832					

(1) Only flow is considered in this rate analysis. This is typical for smaller cities.

(2) The EDU and flow factor for units requiring use of sewer lift stations is increased to account for additional costs related to operating and maintaining the sewer lift station. See Tables D-1 and D-2 for details.

Prepared by ECOLOGIC

AUBR_Sewer_2007 mod_2 v2 Customers 4/11/2007

Table A-2
Projected Costs and Distribution between Collection and Treatment System

Projected Costs and Distribution between Collection and Treatment System											
		Inflation Adjustment	Budget 2006-07	2007-08	Allocation		Collection System		Treatment System		Variable
					Collection	Treatment	Cost	Fixed	Variable	Cost	
Years Initiated: 1											
Expenditures											
Administrative Expenses	7.00%	\$164,911	\$176,455	20%	80%	\$35,291	\$35,291		\$141,164	\$141,164	\$78,893
Materials and Services	5.00%	\$469,600	\$493,080	20%	80%	\$98,616	\$98,616		\$394,464	\$394,464	\$78,893
Contract Operations	5.00%	\$1,612,571	\$1,693,200	20%	80%	\$338,640	\$338,640		\$1,354,560	\$1,354,560	\$78,893
Capital Projects/Facility Replacement	5.00%	\$0	\$600,000	20%	80%	\$120,000	\$120,000		\$480,000	\$480,000	\$78,893
Capital Outlay	5.00%	\$25,000	\$26,250	20%	80%	\$5,250	\$5,250		\$21,000	\$21,000	\$78,893
Expenditure Reimburse (GF-Admin.)	5.00%	\$87,208	\$91,568	20%	80%	\$18,314	\$18,314		\$73,255	\$73,255	\$78,893
Additional Costs due to Local Project	5.00%	\$0	\$50,000	0%	100%	\$0	\$0		\$50,000	\$50,000	\$78,893
Subtotal		\$2,359,290	\$3,130,553			\$616,111	\$616,111		\$2,514,442	\$2,514,442	\$78,893
Current Debt Service	0.00%	\$284,348	\$284,348	20%	80%	\$56,870	\$56,870		\$227,478	\$227,478	\$78,893
Additional Debt Service	0.00%	\$0	\$826,000	20%	80%	\$165,200	\$165,200		\$660,800	\$660,800	\$78,893
General Reserve		\$180,485	\$310,252	20%	80%	\$62,050	\$62,050		\$248,202	\$248,202	\$78,893
Capital Reserve for Regional Project		\$0	\$0	0%	100%	\$0	\$0		\$0	\$0	\$78,893
Credit/Offset for Other Revenues		\$0	(\$70,171)	20%	80%	(\$14,034)	(\$14,034)		(\$56,137)	(\$56,137)	\$78,893
Total		\$2,824,123	\$4,480,982			\$886,196	\$886,196	\$0	\$3,594,785	\$3,515,893	\$78,893

incl. costs

Table A-3
Unit Cost Determination

Cost Category	Allocated Operating Costs	Percent Allocation				Cost				Total Influent				Unit Cost Per			
		Flow	BOD	SS	II	Flow	BOD	SS	II	Flow MG	BOD Klbs	SS Klbs	II	Mgal of Flow (\$/Mgal)	Klb of BOD (\$/Klb)	Klb of SS (\$/Klb)	II (\$/Mgal)
Collection System O&M Costs [1] [2]																	
Fixed	\$616,111	90%			10.00%	\$554,499			\$0	467.67	0.00	0.00		\$1,186.67			\$131.74
Variable	\$0	90%			10.00%	\$0			\$0	467.67	0.00	0.00		\$0.00			\$0.00
Total Collection	\$616,111					\$554,499			\$0	\$61,611				\$1,186.67	\$0.00	\$0.00	\$131.74
Treatment O&M Costs																	
Fixed	\$2,435,549	90%			10.00%	\$2,191,994			\$0	467.67	0.00	0.00		\$4,687.09			\$520.79
Variable	\$78,893	90%			10.00%	\$71,004			\$0	467.67	0.00	0.00		\$151.83			\$16.87
Total Treatment	\$2,514,442					\$2,262,998			\$0	\$251,444				\$4,838.92	\$0.00	\$0.00	\$537.66
Debt Service	\$1,110,348	90%			10.00%	\$999,313			\$0	\$111,035	0.00	0.00		\$2,130.81			\$237.42
Capital Reserve for Regional Project	\$0	90%			10.00%	\$0			\$0	467.67	0.00	0.00		\$0.00			\$0.00
SUBTOTAL	\$4,240,901													\$8,161.40			\$908.82
Other Cost Impacts																	
General Reserve	\$310,252	90%			10.00%	\$278,227			\$0	467.67	0.00	0.00		\$597.06			\$66.34
Rounding	\$0	90%			10.00%	\$0			\$0	467.67	0.00	0.00		\$0.00			\$0.00
Credit/Offset for Other Revenues	(\$70,171)	90%			10.00%	(\$63,154)			\$0	467.67	0.00	0.00		(\$136.04)			(\$16.00)
Annual Payment to Lincoln for Treatment	\$240,061	90%			10.00%	\$216,073			\$0	467.67	0.00	0.00		\$462.02	\$0.00	\$0.00	\$51.34
TOTAL	\$4,480,982					\$4,032,884			\$0	\$448,098				\$8,623.42	\$0.00	\$0.00	\$958.16

Prepared by ECD/LOGIC

A-3

AUBR_Sewer_2007 mbl_2 v2007Cost 4/11

Table A-4
Allocation of Costs to Flow, BOD, and SS by Customer Category

Unit Cost/Customer Category	Operating Costs					Capital Costs					Other Revenue Impacts					Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Flow (MG/yr)	BOD (Kib/yr)	SS (Kib/yr)	Collection		Treatment		Debt Service			Flow (\$/MGal)	Subtotal	Flow (\$/MGal)				Subtotal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
				Flow (\$/MGal)	In (\$/MGal)	Flow (\$/MGal)	In (\$/MGal)	Flow (\$/MGal)	In (\$/MGal)	Flow (\$/MGal)			In (\$/MGal)	Flow (\$/MGal)	In (\$/MGal)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Unit Cost				\$1,185.83	\$313.74	\$4,838.74	\$837.64	\$112,780	\$448,220	\$48,802	\$237.41	\$8,068	\$462.81	\$86,915	\$10,768	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008

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A-1

AUBR_Sewer_2007_mtd_2-20-Cal-Misc 4/18/2007

Table A-5
Detailed Sewer Rate Calculation

Scenario 1	2007-08
	Local WWTP Project

Customer Category	Number of Billing Units	Allocated Cost	Annual Cost Billing Unit	Monthly Cost	
				Billing Unit Mo. Charge	Basis of Charge
Residential					
Single Family	3,073	\$2,009,847	\$653.97	\$54.50	per Unit
Single Family w/1 Sewer Lift Stat.	448	\$356,143	\$794.96	\$66.25	per Unit
Single Family w/2 Sewer Lift Stat.	511	\$478,250	\$935.91	\$77.99	per Unit
Single Family w/3 Sewer Lift Stat.	61	\$65,688	\$1,076.85	\$89.74	per Unit
Subtotal - Single Family	4,093	\$2,909,928			
Duplex/Triplex/Condo	315	\$158,826	\$504.21	\$42.02	per Unit
Multi-Family (Flat fee per Unit)	1,226	\$572,284	\$466.93	\$38.91	per Unit
Multi-Family (Sewer Lift Station)	3	\$1,934	\$645.20	\$53.77	per Unit
Subtotal - Multi-Family	1,544	\$733,044			
Non-Residential					
Auto Dealership	32	\$4,132	\$130.79	\$10.90	per 1,000 SF
Bank/Financial Inst.	80	\$15,643	\$196.19	\$16.35	per 1,000 SF
Bakery	6	\$6,871	\$1,111.74	\$92.65	per 1,000 SF
Bar	16	\$7,115	\$457.78	\$38.15	per 1,000 SF
Dry Cleaner	5	\$5,079	\$1,111.74	\$92.65	per 1,000 SF
Hall, Lodge, Auditorium	51	\$10,001	\$196.19	\$16.35	per 1,000 SF
Health Studio, Gym	13	\$2,605	\$196.19	\$16.35	per 1,000 SF
Market w/Disposal Unit	34	\$22,462	\$653.97	\$54.50	per 1,000 SF
Market w/o Disposal Unit	26	\$3,446	\$130.79	\$10.90	per 1,000 SF
Medical/Dental Office	117	\$30,529	\$261.59	\$21.80	per 1,000 SF
Business Office	1,388	\$181,502	\$130.79	\$10.90	per 1,000 SF
Place of Workshop	134	\$17,576	\$130.79	\$10.90	per 1,000 SF
Public Agency	149	\$58,486	\$392.38	\$32.70	per 1,000 SF
Mortuary	10	\$8,502	\$850.16	\$70.85	per Slumber Room
Restaurant	81	\$133,143	\$1,634.92	\$136.24	per 1,000 SF
Restaurant, Take-out Only	14	\$18,558	\$1,307.93	\$108.99	per 1,000 SF
Retail	1,103	\$144,292	\$130.79	\$10.90	per 1,000 SF
Warehouse	147	\$9,597	\$65.40	\$5.45	per 1,000 SF
Used Car Lot	10	\$1,308	\$130.79	\$10.90	per 10 fixtures
Car Wash	4	\$1,831	\$457.78	\$38.15	per Stall
Barber/Beauty Shop	184	\$24,066	\$130.79	\$10.90	per Chair
Bowling Alley	-	\$0	\$0.00	\$0.00	per Lane
Hotel, Motel	139	\$27,270	\$196.19	\$16.35	per Sleeping Room
Self Service Laundry	84	\$27,467	\$326.98	\$27.25	per Machine
Garage	286	\$18,703	\$65.40	\$5.45	per Bay
Rest Home/Boarding House	124	\$24,328	\$196.19	\$16.35	per Bed
School	34	\$22,405	\$653.97	\$54.50	per 100 Students
Service Station	110	\$7,194	\$65.40	\$5.45	per Pump
Theatre	20	\$3,899	\$196.19	\$16.35	per 100 Seats
Brewery	-	\$0	\$0.00	\$0.00	per 1,000 SF
TOTAL		\$4,480,982			

Rate_calc

Appendix B.

Sewer Customers & EDU Factors

Table B-1
Summary of Existing Rates

Customer	Factor	Rate	Basis	2006-07 Assessment	Billing Units
Residential					
Single Family	1.00	\$35.00	per Unit	\$1,236,080.00	2,943
Multi-Family (Flat fee per Unit)	0.69	\$24.00	per Unit	\$443,412.00	1,540
Multi-Family (Sewer Lift Station)	0.90	\$31.55	per Unit	\$1,135.00	3
CDBG \$13.00/mo Reduction	0.63	\$22.00	per Unit	\$34,140.00	129
CDBG 1SFD w/Disc 1 SFD w/oDisc	1.63	\$57.00	per Unit	\$684.00	1
CDBG \$13.00/mo w/lift station	0.84	\$29.56	per Unit	\$2,128.32	6
CDBG w/Two Lift Stations	1.06	\$37.10	per Unit	\$890.40	2
CDBG w/3 Lift Station	1.28	\$44.65	per Unit	\$0.00	0
CDBG 1 Apt w/Disc	0.31	\$11.00	per Unit	\$132.00	1
SFD w/1 Lift Station	1.22	\$42.56	per Unit	\$225,738.24	442
SFD w/2 Lift Station	1.43	\$50.10	per Unit	\$306,010.80	509
SFD w/3 Lift Station	1.65	\$57.65	per Unit	\$42,199.80	61
Non-Residential					
Auto Dealership	0.20	\$7.00	per 1,000 SF	\$2,653.88	32
Bank/Financial Inst.	0.30	\$10.50	per 1,000 SF	\$10,046.40	80
Bakery	1.70	\$59.50	per 1,000 SF	\$4,412.52	6
Bar	0.70	\$24.50	per 1,000 SF	\$4,569.39	16
Dry Cleaner	1.70	\$59.50	per 1,000 SF	\$3,261.72	5
Hall, Lodge, Auditorium	0.30	\$10.50	per 1,000 SF	\$6,423.06	51
Health Studio, Gym	0.30	\$10.50	per 1,000 SF	\$1,672.84	13
Market w/Disposal Unit	1.00	\$35.00	per 1,000 SF	\$14,426.16	34
Market w/o Disposal Unit	0.20	\$7.00	per 1,000 SF	\$2,213.40	26
Medical/Dental Office	0.40	\$14.00	per 1,000 SF	\$19,606.78	117
Office Building	0.20	\$7.00	per 1,000 SF	\$116,566.63	1,388
Place of Workshlp	0.20	\$7.00	per 1,000 SF	\$11,287.92	134
Public Agency	0.60	\$21.00	per 1,000 SF	\$37,561.94	149
Mortuary	1.30	\$45.50	per Slumber Room	\$5,460.00	10
Restaurant	2.50	\$87.50	per 1,000 SF	\$85,508.85	81
Restaurant, Take-out Only	2.00	\$70.00	per 1,000 SF	\$11,918.76	14
Retail	0.20	\$7.00	per 1,000 SF	\$92,669.64	1,103
Warehouse	0.10	\$3.50	per 1,000 SF	\$6,163.84	147
Used Car Lot	0.20	\$7.00	per 10 fixtures	\$840.00	10
Car Wash	0.70	\$24.50	per Stall	\$1,176.00	4
Barber/Beauty Shop	0.20	\$7.00	per Chair	\$15,456.00	184
Bowling Alley	0.40	\$14.00	per Lane	\$0.00	0
Hotel, Motel	0.30	\$10.50	per Sleeping Room	\$17,514.00	139
Self Service Laundry	0.50	\$17.50	per Machine	\$17,640.00	84
Garage	0.10	\$3.50	per Bay	\$12,012.00	286
Rest Home/Boarding House	0.30	\$10.50	per Bed	\$15,624.00	124
School	1.00	\$35.00	per 100 Students	\$14,389.20	34
Service Station	0.10	\$3.50	per Pump	\$4,620.00	110
Theatre	0.30	\$10.50	per 100 Seats	\$2,504.04	20
Brewery	4.80	\$168.00	per 1,000 SF	\$0.00	0
Total				\$2,830,729.73	

existing rates

existing rates

Appendix C

Projected Costs and Allocation Detail

Table C-1
Summary of Projected Expenses

	Budgeted		Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
Administrative Expenses	\$164,911	\$176,455	\$188,807	\$202,023	\$216,165	\$231,296	
Materials and Services	\$469,600	\$493,080	\$517,734	\$543,621	\$570,802	\$599,342	
Contract Operations	\$1,612,571	\$1,693,200	\$1,777,860	\$1,866,753	\$1,960,090	\$2,058,095	
Capital Projects/Facility Replacement	\$0	\$800,000	\$630,000	\$661,500	\$694,575	\$729,304	
Capital Outlay	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388	\$31,907	
Expenditure Reimburse (GF-Admin.)	\$87,208	\$91,568	\$96,147	\$100,954	\$106,002	\$111,302	
Additional Costs due to Local Project	\$0	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775	
Subtotal	\$2,359,290	\$3,130,553	\$3,290,609	\$3,458,916	\$3,635,902	\$3,822,021	
Current Debt Service	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	\$284,348	
Additional Debt Service	\$0	\$826,000	\$826,000	\$826,000	\$826,000	\$826,000	
General Reserve	\$180,485	\$310,252	\$335,190	\$331,323	\$318,777	\$317,653	
Capital Reserve for Regional Project	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$2,824,123	\$4,551,153	\$4,736,148	\$4,900,587	\$5,065,027	\$5,250,022	
Credit/Offset for Other Revenues (Fee Revenue)	\$0	(\$70,171)	(\$70,171)	(\$70,171)	(\$70,171)	(\$70,171)	
Adjusted Total	\$2,824,123	\$4,480,982	\$4,665,976	\$4,830,416	\$4,994,856	\$5,179,850	
Percent Increase		58.7%	4.1%	3.5%	3.4%	3.7%	

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C-1

AUBR_Sewer_2007 mdl_2 v2/CostDist 4/16/2007

Scenario 1	2007-08	Local WWTP Project
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"proj_costs"

Table C-3
Projected Costs and Distribution between Collection and Treatment System

	Inflation Adjustment	Budget 2006-07	2008-09	Scenario 1		2008-09 Local WWTP Project	
				Collection System		Treatment System	
				Allocation	Cost	Cost	Variable
				Collection	Treatment	Fixed	Variable
Years Inflated: 2							
Expenditures							
Administrative Expenses	7.00%	\$164,911	\$188,807	20%	80%	\$37,761	\$151,045
Materials and Services	5.00%	\$469,600	\$517,734	20%	80%	\$103,547	\$414,187
Contract Operations	5.00%	\$1,812,571	\$1,777,860	20%	80%	\$355,572	\$1,422,288
Capital Projects/Facility Replacement	5.00%	\$0	\$630,000	20%	80%	\$126,000	\$504,000
Capital Outlay	5.00%	\$25,000	\$27,563	20%	80%	\$5,513	\$22,050
Expenditure Reimburse (GF-Admin.)	5.00%	\$57,208	\$96,147	20%	80%	\$19,229	\$76,917
Additional Costs due to Local Project	5.00%	\$0	\$52,500	0%	100%	\$0	\$52,500
Subtotal		\$2,359,290	\$3,290,608			\$647,622	\$2,642,986
Current Debt Service	0.00%	\$284,348	\$284,348	20%	80%	\$56,870	\$227,478
Additional Debt Service	0.00%	\$0	\$826,000	20%	80%	\$165,200	\$660,800
General Reserve		\$180,485	\$335,190	20%	80%	\$67,038	\$268,152
Capital Reserve for Regional Project		\$0	\$0	0%	100%	\$0	\$0
Credit/Offset for Other Revenues		\$0	(\$70,171)	20%	80%	(\$14,034)	(\$56,137)
Total		\$2,824,123	\$4,665,976			\$922,695	\$3,743,281
						\$0	\$3,660,444
							\$82,837

"proj_costs"

Table C-4
Projected Costs and Distribution between Collection and Treatment System

	Inflation Adjustment	Budget 2006-07	2009-10	Scenario 1		2009-10	
				Local WWTP Project		Local WWTP Project	
Expenditures		Years Inflated: 3	Allocation	Collection System		Treatment System	
				Collection	Treatment	Cost	Variable
Administrative Expenses	7.00%	\$164,911	20%	\$40,405	\$40,405	\$161,618	\$161,618
Materials and Services	5.00%	\$489,600	20%	\$108,724	\$108,724	\$434,887	\$347,917
Contract Operations	5.00%	\$1,612,571	20%	\$373,351	\$373,351	\$1,493,402	\$1,483,402
Capital Projects/Facility Replacement	5.00%	\$0	20%	\$132,300	\$132,300	\$529,200	\$529,200
Capital Outlay	5.00%	\$25,000	20%	\$5,768	\$5,768	\$23,153	\$23,153
Expenditure Reimburse (GF-Admin.)	5.00%	\$87,208	20%	\$20,191	\$20,191	\$80,763	\$80,763
Additional Costs due to Local Project	5.00%	\$0	0%	\$0	\$0	\$55,125	\$55,125
Subtotal		\$2,359,290		\$680,758	\$680,758	\$2,778,158	\$2,691,179
Current Debt Service	0.00%	\$284,348	20%	\$56,870	\$56,870	\$227,478	\$227,478
Additional Debt Service	0.00%	\$0	20%	\$185,200	\$185,200	\$660,800	\$660,800
General Reserve		\$180,485	20%	\$66,265	\$66,265	\$265,059	\$265,059
Capital Reserve for Regional Project		\$0	0%	\$0	\$0	\$0	\$0
Credit/Offset for Other Revenues		\$0	20%	(\$14,034)	(\$14,034)	(\$56,137)	(\$56,137)
Total		\$2,824,123		\$955,058	\$955,058	\$3,875,358	\$3,788,379
							\$86,979

proj_costs

Table C-5
Projected Costs and Distribution between Collection and Treatment System

Table C-5 Projected Costs and Distribution between Collection and Treatment System											
	Inflation Adjustment	Budget 2006-07	2010-11	Allocation		Collection System		Treatment System			
				Collection	Treatment	Cost	Fixed	Variable	Cost	Fixed	Variable
Years Initiated: 4											
Expenditures											
Administrative Expenses	7.00%	\$164,911	\$216,165	20%	80%	\$43,233	\$43,233	\$172,932	\$172,932		
Materials and Services	5.00%	\$469,600	\$570,802	20%	80%	\$114,160	\$114,160	\$456,641	\$456,641		
Contract Operations	5.00%	\$1,612,571	\$1,960,090	20%	80%	\$392,018	\$392,018	\$1,568,072	\$1,568,072		
Capital Projects/Facility Replacement	5.00%	\$0	\$694,575	20%	80%	\$138,915	\$138,915	\$555,660	\$555,660		
Capital Outlay	5.00%	\$25,000	\$30,388	20%	80%	\$6,078	\$6,078	\$24,310	\$24,310		
Expenditure Reimburse (GF-Admin.)	5.00%	\$87,208	\$106,002	20%	80%	\$21,200	\$21,200	\$84,801	\$84,801		
Additional Costs due to Local Project	5.00%	\$0	\$57,881	0%	100%	\$0	\$0	\$57,881	\$57,881		
Subtotal		\$2,359,290	\$3,636,902			\$715,604	\$715,604	\$2,920,298	\$2,920,298		
Current Debt Service	0.00%	\$284,348	\$284,348	20%	80%	\$56,870	\$56,870	\$227,478	\$227,478		
Additional Debt Service	0.00%	\$0	\$826,000	20%	80%	\$165,200	\$165,200	\$660,800	\$660,800		
General Reserve		\$180,485	\$318,777	20%	80%	\$63,755	\$63,755	\$255,021	\$255,021		
Capital Reserve for Regional Project		\$0	\$0	0%	100%	\$0	\$0	\$0	\$0		
Credit/Offset for Other Revenues		\$0	(\$70,171)	20%	80%	(\$14,034)	(\$14,034)	(\$56,137)	(\$56,137)		
Total		\$2,824,123	\$4,994,856			\$987,395	\$987,395	\$4,007,461	\$3,916,133		
						\$0			\$91,328		
									prof. costs		

proj_costs

Table C-6
Projected Costs and Distribution between Collection and Treatment System

Projected Costs and Distribution between Collection and Treatment System											
	Inflation Adjustment	Budget 2006-07	2011-12	Allocation		Collection System		Treatment System		Variable	
				Collection	Treatment	Cost	Fixed	Variable	Cost		Fixed
Years Inflated: 5											
<u>Expenditures</u>											
Administrative Expenses	7.00%	\$164,911	\$231,296	20%	80%	\$46,259	\$46,259	\$185,037	\$185,037		
Materials and Services	5.00%	\$469,600	\$598,342	20%	80%	\$119,868	\$119,868	\$383,579	\$383,579	\$95,895	
Contract Operations	5.00%	\$1,612,571	\$2,058,095	20%	80%	\$411,619	\$411,619	\$1,646,476	\$1,646,476		
Capital Projects/Facility Replacement	5.00%	\$0	\$729,304	20%	80%	\$145,861	\$145,861	\$583,443	\$583,443		
Capital Outlay	5.00%	\$25,000	\$31,907	20%	80%	\$6,381	\$6,381	\$25,526	\$25,526		
Expenditure Reimburse (GF-Admin.)	5.00%	\$87,208	\$111,302	20%	80%	\$22,260	\$22,260	\$89,042	\$89,042		
Additional Costs due to Local Project	5.00%	\$0	\$80,775	0%	100%	\$0	\$0	\$80,775	\$80,775		
-Subtotal		\$2,359,290	\$3,822,021			\$752,249	\$752,249	\$3,069,772	\$2,973,877	\$95,895	
Current Debt Service	0.00%	\$284,348	\$284,348	20%	80%	\$58,870	\$58,870	\$227,478	\$227,478		
Additional Debt Service	0.00%	\$0	\$826,000	20%	80%	\$165,200	\$165,200	\$660,800	\$660,800		
General Reserve		\$180,485	\$317,653	20%	80%	\$63,531	\$63,531	\$254,122	\$254,122		
Capital Reserve for Regional Project		\$0	\$0	0%	100%	\$0	\$0	\$0	\$0		
Credit/Offset for Other Revenues		\$0	(\$70,171)	20%	80%	(\$14,034)	(\$14,034)	(\$56,137)	(\$56,137)		
Total		\$2,824,123	\$5,179,850			\$1,023,815	\$1,023,815	\$4,156,035	\$4,060,141	\$95,895	
										"Total costs"	

proj_costs

Appendix D

Sewer Lift Station Cost Allocation

Table D-1
Estimated Cost of O&M for Sewer Lift Stations

Item	Cost
Misc. Repairs	\$20,000
Major Equipment Replacement	\$60,000
Odor Control Chemicals	\$5,000
Phone systems: (35/ mo x 12 PS*12 months)	\$4,000
Labor (25 hrs per week x \$65/ hr x 52 weeks)	\$84,500
Power (5,000 / per month x 12 mos)	\$60,000
Total	\$233,500

Table D-2
Allocated Cost to Sewer Lift Stations

Units served by Lift Stations	Units	Wtd. Units
SFD Units w/Lift Station	448	448
SFD Units w/2 Lift Stations	511	1,022
SFD Units w/3 Lift Stations	61	183
MFD Units w/Lift Station	3	3
Total		1,656
Annual Lift Station Cost		\$233,500
Monthly Lift Station Cost		\$19,458.33
Cost per Lift Station Use		\$11.75

Table D-3
Calculated Lift Station Surcharge

Item	In Dollars	In EDU's
Charge Per EDU (from table 3-5)	\$54.50	
Charge per Lift Station		
1 Lift Surcharge	\$11.75	0.22
2 Lift Surcharge	\$23.50	0.43
3 Lift Surcharge	\$35.25	0.65

EXHIBIT "A"
SCHEDULE OF SEWER RATE AND CHARGES
APRIL 2007

I. USER FEES

Each user connected to the sewer system shall pay up to \$54.50 per sewer unit. The sewer units are listed on Attachment A. For purposes of collecting sewer charges, the following residential categories shall be defined as follows:

- **Single Family Unit:** A single family unit is defined generally as a single dwelling unit per parcel. However, if the parcel has a detached second unit ("granny unit"), the second unit would be charged at the duplex rate.
- **Duplex, Triplex, Condo, or Townhome:** These residential units would include 2 attached units or 3 attached or detached units per parcel.
- **Multi-Family Unit or Apartment:** This residential category would include 4 or more attached units per parcel.
- **Mobile Home:** This category would refer to a mobile home unit in a mobile home park.

II. CONNECTION AND PLANT EXPANSION FEES

For each connection to the city-owned public sewer a sewer connection and plant fee shall be paid at the time of building permit issuance. The connection fee is shall be determined based on the then current fee per sewer unit. The sewer units are listed on Attachment B. The sewer connection and plant expansion fee shall be as follows:

- July 1, 2007: \$3,500
- July 1, 2008: \$4,500
- July 1, 2009: \$5,500
- July 1, 2010: \$6,465

III. RATE AND FEE ADJUSTMENTS

The schedule of charges may be altered or adjusted by action of the Auburn City Council. Automatic yearly adjustments shall occur on July 1 as provided by the City Ordinance to reflect variation in the construction cost index (Engineering News Record - 20- City Cost Index)

Attachment A
Sewer Rates – Sewer Units and Basis of Charge

Customer Category	Sewer Unit	Basis of Charge
<u>Residential</u>		
Single Family	1.00	per Unit
Single Family w/1 Sewer Lift Stat.	1.22	per Unit
Single Family w/2 Sewer Lift Stat.	1.43	per Unit
Single Family w/3 Sewer Lift Stat.	1.65	per Unit
Duplex/Triplex/Condo/Townhome	0.77	per Unit
Multi-Family	0.71	per Unit
Multi-Family w/1 Sewer Lift Station	0.99	per Unit
Mobile Home	0.71	per Space/Unit
<u>Non-Residential</u>		
Auto Dealership	0.20	per 1,000 SF
Bank/Financial Inst.	0.30	per 1,000 SF
Bakery	1.70	per 1,000 SF
Bar	0.70	per 1,000 SF
Dry Cleaner	1.70	per 1,000 SF
Hall, Lodge, Auditorium	0.30	per 1,000 SF
Health Studio, Gym	0.30	per 1,000 SF
Market w/Disposal Unit	1.00	per 1,000 SF
Market w/o Disposal Unit	0.20	per 1,000 SF
Medical/Dental Office	0.40	per 1,000 SF
Business Office	0.20	per 1,000 SF
Place of Workshop	0.20	per 1,000 SF
Public Agency	0.60	per 1,000 SF
Mortuary	1.30	per Slumber Room
Restaurant	2.50	per 1,000 SF
Restaurant, Take-out Only	2.00	per 1,000 SF
Retail	0.20	per 1,000 SF
Warehouse	0.10	per 1,000 SF
Used Car Lot	0.20	per 10 fixtures
Car Wash	0.70	per Stall
Barber/Beauty Shop	0.20	per Chair
Bowling Alley	0.40	per Lane
Hotel, Motel	0.30	per Sleeping Room
Self Service Laundry	0.50	per Machine
Garage	0.10	per Bay
Rest Home/Boarding House	0.30	per Bed
School	1.00	per 100 Students
Service Station	0.10	per Pump
Theatre	0.30	per 100 Seats
Brewery	4.80	per 1,000 SF

Attachment B
Sewer Connection Fee – Sewer Units and Basis of Charge

Customer Category	Sewer Unit	Basis of Charge
<u>Residential</u>		
Single Family	1.000	per Unit
Duplex/Triplex/Condo	0.771	per Unit
Multi-Family	0.714	per Unit
Mobile Home Park	0.714	per Space/Unit
<u>Non-Residential</u>		
Auto Dealership	0.200	per 1,000 SF
Bank/Financial Inst.	0.300	per 1,000 SF
Bakery	1.700	per 1,000 SF
Bar	0.700	per 1,000 SF
Dry Cleaner	1.700	per 1,000 SF
Hall, Lodge, Auditorium	0.300	per 1,000 SF
Health Studio, Gym	0.300	per 1,000 SF
Market w/Disposal Unit	1.000	per 1,000 SF
Market w/o Disposal Unit	0.200	per 1,000 SF
Medical/Dental Office	0.400	per 1,000 SF
Office Building	0.200	per 1,000 SF
Place of Workshop	0.200	per 1,000 SF
Public Agency	0.600	per 1,000 SF
Mortuary	1.300	per Slumber Room
Restaurant	2.500	per 1,000 SF
Restaurant, Take-out Only	2.000	per 1,000 SF
Retail	0.200	per 1,000 SF
Warehouse	0.100	per 1,000 SF
Used Car Lot	0.200	per 10 fixtures
Car Wash	0.700	per Stall
Barber/Beauty Shop	0.200	per Chair
Bowling Alley	0.400	per Lane
Hotel, Motel	0.300	per Sleeping Room
Self Service Laundry	0.500	per Machine
Garage	0.100	per Bay
Rest Home/Boarding House	0.300	per Bed
School	1.000	per 100 Students
Service Station	0.100	per Pump
Theatre	0.300	per 100 Seats
Brewery	4.800	per 1,000 SF



CITY OF AUBURN

Public Works Department

1225 LINCOLN WAY • AUBURN, CA 95603 • PHONE (530) 823-4211 • FAX (530) 885-5508

Exhibit A
Schedule of Sewer Service Charges

- A. The monthly Sewer Service Charge shall be as follows:
- | | |
|---------------------------|------------------------|
| For Fiscal Year 2014-15: | \$67.01 per Sewer Unit |
| For Fiscal Year 2015-16: | \$69.81 per Sewer Unit |
| For Fiscal Year 2016-17: | \$72.56 per Sewer Unit |
| For Fiscal Year 2017-18: | \$75.49 per Sewer Unit |
| For Fiscal Year 2018-19: | \$78.62 per Sewer Unit |
| For each subsequent year: | \$78.62 per Sewer Unit |
- B. The number of Sewer Units allocable to a premises shall be calculated as set forth in Exhibit "A-1" which is incorporated herein by reference.
- C. The rate charged for premises granted a discount pursuant to the City's CDBG program shall be reduced by the amount of that discount (\$13.00). This discount is subsidized by Community Development Block Grant funds available to the City and does not result in any other customer paying an increased fee.
- D. The City Council may increase the rates set forth above by an amount not to exceed the change in the San Francisco Bay Area Consumer Price Index for all urban consumers, as published by the US Department of Labor (but not more than 5% per year), without giving additional notice pursuant to Article XIII D, Section 6(B)(2) of the California Constitution. Such increase can be calculated by multiplying the rate that is set forth above for a fiscal year by the percentage change in the CPI between the date of the adoption of this schedule and the date on which the increase is adopted for that fiscal year.

Exhibit A-1
Sewer Unit Allocation—Sewer Service Charge

Reference is made to Exhibit C, which is incorporated herein by reference, for the interpretation of this chart.

Customer Category	Sewer Unit	Basis of Charge
<u>Residential</u>		
Single Family	1.00	per Unit
Single Family w/1 Sewer Lift Stat.	1.22	per Unit
Single Family w/2 Sewer Lift Stat.	1.43	per Unit
Single Family w/3 Sewer Lift Stat.	1.65	per Unit
Duplex/Triplex/Condo/Townhome	0.77	per Unit
Duplex/Triplex/Condo/Townhome w/ 1 Sewer Lift Stat.	0.99	per Unit
Duplex/Triplex/Condo/Townhome w/ 2 Sewer Lift Stat.	1.20	per Unit
Multi-Family	0.71	per Unit
Multi-Family w/1 Sewer Lift Station	0.99	per Unit
Mobile Home	0.71	per Space/Unit
<u>Non-Residential</u>		
Auto Dealership	0.20	per 1,000 SF
Bank/Financial Inst.	0.30	per 1,000 SF
Bakery	1.70	per 1,000 SF
Bar	0.70	per 1,000 SF
Dry Cleaner	1.70	per 1,000 SF
Hall, Lodge, Auditorium	0.30	per 1,000 SF
Health Studio, Gym	0.30	per 1,000 SF
Market w/Disposal Unit	1.00	per 1,000 SF
Market w/o Disposal Unit	0.20	per 1,000 SF
Medical/Dental Office	0.40	per 1,000 SF
Business Office	0.20	per 1,000 SF
Place of Worship	0.20	per 1,000 SF
Public Agency	0.60	per 1,000 SF
Mortuary	1.30	per Slumber Room
Restaurant	2.00	per 1,000 SF
Restaurant, Take-out Only	1.70	per 1,000 SF
Retail	0.20	per 1,000 SF
Warehouse	0.10	per 1,000 SF
Used Car Lot	0.20	per 10 fixtures
Car Wash	0.70	per Stall
Barber/Beauty Shop	0.20	per Chair
Bowling Alley	0.40	per Lane
Hotel, Motel	0.30	per Sleeping Room
Self Service Laundry	0.50	per Machine
Garage	0.10	per Bay
Rest Home/Boarding House	0.30	per Bed
School	1.00	per 100 Students
Service Station	0.10	per Pump
Theatre	0.30	per 100 Seats
Brewery	4.80	per 1,000 SF

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN,
CALIFORNIA ESTABLISHING SEWER SERVICE CHARGES AND REPEALING
ORDINANCE NO. _____-U

THE CITY COUNCIL OF THE CITY OF AUBURN DOES ORDAIN AS
FOLLOWS:

1. Pursuant to the provisions of California Health and Safety Code Sections 5473 et seq., and as an alternate procedure for the collection of all sewer service charges, the city hereby continues its election to have such charges collected on the tax roll of the county in the same manner, by the same persons, and at the same time as, together with and not separately from, the city's general taxes.
2. The city's Director of Administrative Services is hereby directed to prepare and file with the City Clerk, no later than required by law, a written report containing a description of each premises connected to or discharging any sewage into the sanitary sewer system of the city, and the amount of the sewer service charge for each premises for the forthcoming fiscal year, computed in conformity with the charges prescribed in Chapter 52 of the Auburn Municipal Code.
3. If any of the charges should be omitted from the county tax roll, or if the city's adoption of the method of collection specified in Section 1 of this Ordinance shall be held illegal for any reason, the charges may be collected in any other manner authorized by law.

- 1 4. For purposes of Section 52.026(B) of the Auburn Municipal Code,
2 the City Council hereby adopts the rates set forth in Exhibit A to
3 this Ordinance, which exhibit is incorporated herein by this
4 reference, as the schedule of the city's sewer service charge.
- 5
6 5. The report of G Aronow Consulting, entitled City of Auburn Sewer
7 Rate Update and dated April 24, 2014, which is on file in the Office
8 of the City Clerk, available for public inspection during normal
9 business hours, and incorporated herein by reference, is hereby
10 finally approved by the City Council.
- 11
12 6. With respect to the sewer service charge established by this
13 Ordinance, the City Council hereby finds and determines that:
14 (A) The purpose of the Sewer Service Charge is to fund the operation,
15 maintenance and improvement of the City's sanity sewer system so
16 the City can collect and treat sewage discharged into that system
17 by its customers.
18 (B) Revenues derived from the charge will not exceed the funds
19 required to provide sewer service as demonstrated by the report
20 referenced in section 5 of this Ordinance and the other materials
21 that constitute the record of the City Council's adoption of this
22 Ordinance.
23 (C) The amount of the charge imposed upon any parcel or person as
24 an incident of property ownership does not exceed the proportional
25 cost of the service attributable to the parcel.
26 (D) No majority protest exists with respect to the charge and all
27 objections to the charge have been considered, following a full and
28 fair public hearing, and are hereby overruled.

- 1 (E) The City has complied with each of the requirements set forth in
2 Article XIIID, Section 6 of the California Constitution and other
3 applicable law with respect to the charge.
- 4 (F) Notice of an indexed rate increase was given to affected property
5 owners, and such increases were considered at the public hearing
6 at which this Ordinance was adopted. Accordingly, the City Council
7 may adjust the rates for inflation in the manner specified in Section
8 52.026(B) of the Auburn Municipal Code. The City Council declares
9 that if it could not reserve the right to implement such inflation
10 adjustments without giving such additional notice, it would have
11 imposed such increases by this Ordinance.
- 12
- 13 7. The City Council declares that it would have adopted each and
14 every provision of this Ordinance notwithstanding the invalidity of
15 any other provision of this Ordinance and the provisions of this
16 Ordinance are hereby declared to be severable.
- 17
- 18 8. This Ordinance shall become effective on the thirtieth day following
19 its adoption as provided in Government Code Section 36937. The
20 City Clerk is hereby directed to give notice of the adoption of this
21 Ordinance in the manner required by law.
- 22
- 23 9. Ordinance No. ____-U is hereby repealed.

24 DATED: July __, 2014

26 _____
Bridget Powers, Mayor

1 ATTEST:

2 _____
3 Stephanie Snyder, City Clerk
4

5 I, Stephanie Snyder, City Clerk of the City of Auburn, hereby certify that
6 the foregoing ordinance was duly passed at a regular session meeting of the
7 City Council of the City of Auburn held on the ____ day of July, 2014 by the
8 following vote on roll call:

8 Ayes:

9 Noes:

10 Absent:

11 _____
12 Stephanie Snyder, City Clerk
13
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ORDINANCE NO. _____-U

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN,
ESTABLISHING SEWER SERVICE CHARGES AND DECLARING THE URGENCY
THEREOF

THE CITY COUNCIL OF THE CITY OF AUBURN DOES ORDAIN AS
FOLLOWS:

1. Pursuant to the provisions of California Health and Safety Code Sections 5473 et seq., and as an alternate procedure for the collection of all sewer service charges, the city hereby continues its election to have such charges collected on the tax roll of the county in the same manner, by the same persons, and at the same time as, together with and not separately from, the city's general taxes.
2. The city's Director of Administrative Services is hereby directed to prepare and file with the City Clerk, no later than required by law, a written report containing a description of each premises connected to or discharging any sewage into the sanitary sewer system of the city, and the amount of the sewer service charge for each premises for the forthcoming fiscal year, computed in conformity with the charges prescribed in Chapter 52 of the Auburn Municipal Code.
3. If any of the charges should be omitted from the county tax roll, or if the city's adoption of the method of collection specified in Section 1 of this Ordinance shall be held illegal for any reason, the charges may be collected in any other manner authorized by law.

- 1 4. For purposes of Section 52.026(B) of the Auburn Municipal Code,
2 the City Council hereby adopts the rates set forth in Exhibit A to
3 this Ordinance, which exhibit is incorporated herein by this
4 reference, as the schedule of the city's sewer service charge.
- 5
6 5. The report of G Aronow Consulting, entitled City of Auburn Sewer
7 Rate Update and dated April 24, 2014, which is on file in the Office
8 of the City Clerk, available for public inspection during normal
9 business hours, and incorporated herein by reference, is hereby
10 finally approved by the City Council.
- 11
12 6. With respect to the sewer service charge established by this
13 Ordinance, the City Council hereby finds and determines that:
14 (A) The purpose of the Sewer Service Charge is to fund the operation,
15 maintenance and improvement of the City's sanity sewer system so
16 the City can collect and treat sewage discharged into that system
17 by its customers.
18 (B) Revenues derived from the charge will not exceed the funds
19 required to provide sewer service as demonstrated by the report
20 referenced in section 5 of this Ordinance and the other materials
21 that constitute the record of the City Council's adoption of this
22 Ordinance.
23 (C) The amount of the charge imposed upon any parcel or person as
24 an incident of property ownership does not exceed the proportional
25 cost of the service attributable to the parcel.
26 (D) No majority protest exists with respect to the charge and all
27 objections to the charge have been considered, following a full and
28 fair public hearing, and are hereby overruled.

- 1 (E) The City has complied with each of the requirements set forth in
2 Article XIID, Section 6 of the California Constitution and other
3 applicable law with respect to the charge.
- 4 (F) Notice of an indexed rate increase was given to affected property
5 owners, and such increases were considered at the public hearing
6 at which this Ordinance was adopted. Accordingly, the City Council
7 may adjust the rates for inflation in the manner specified in Section
8 52.026(B) of the Auburn Municipal Code. The City Council declares
9 that if it could not reserve the right to implement such inflation
10 adjustments without giving such additional notice, it would have
11 imposed such increases by this Ordinance.
- 12 7. The City Council declares that it would have adopted each and
13 every provision of this Ordinance notwithstanding the invalidity of
14 any other provision of this Ordinance and the provisions of this
15 Ordinance are hereby declared to be severable.
- 16
17 8. Pursuant to Section 36937(B) of the California Government Code,
18 this Ordinance shall take effect immediately because its passage is
19 required for the immediate preservation of the public peace, health
20 and safety. The facts constituting this urgency are that: (i) the
21 revenues generated by the charges set forth herein are needed to
22 pay the usual and current expenses of the City's sewer enterprise
23 and to ensure the provision of sewer services, (ii) in order to
24 ensure that the ratepayers of the City's sewer enterprise pay the
25 full cost of providing services to such customers, it is necessary
26 that this Ordinance be effective immediately, and (iii) in order to
27 ensure proper calculation of the sewer rate revision (and avoid
28 potentially setting a rate that either would not generate sufficient

revenues or would result in an overcharge to ratepayers), the City
was unable to adopt these charges earlier.

DATED: June 23, 2014

Bridget Powers, Mayor

ATTEST:

Stephanie Snyder, City Clerk

I, Stephanie Snyder, City Clerk of the City of Auburn, hereby certify that
the foregoing ordinance was duly passed at a regular session meeting of the
City Council of the City of Auburn held on the 23rd day of June, 2014 by the
following vote on roll call:

Ayes:

Noes:

Absent:

Stephanie Snyder, City Clerk

Attachment G

Name	Parcel #	Received	Summary
Pizzinelli, Frank	052-410-018-000	6/16/2014	Oppose sewer rate increase; should be based on water usage
Alfke, Doris	054-450-002-000	6/16/2014	Oppose sewer rate increase
Ross, Rosemary		6/16/2014	Oppose sewer rate increase
Perrin, James & Carolyn	054-500-005-000	6/16/2014	Oppose sewer rate increase
Henry, Patrick John		6/16/2014	Oppose sewer rate increase (Not Connected to City Sewer)
Rickett-Murphy, Cara Jean	003-172-031	6/16/2014	Oppose sewer rate increase
Pegram, Sandra J	004-290-020-000	6/16/2014	Oppose sewer rate increase
Beattie, Tom	002-203-003-000	6/12/2014	Oppose sewer rate increase; unreasonable price discrimination against single family homes
Nowlin, Jeanne		6/12/2014	Oppose sewer rate increase; retired & fixed income
Reeves, Beverly	001-062-004-000	6/11/2014	Oppose sewer rate increase
Powell, Betty	003-211-044-000	6/11/2014	Oppose sewer rate increase (wrote twice, same parcel)
Bonilla, Eita	051-310-024-000	6/11/2014	Oppose sewer rate increase; senior citizen
Cook, Douglas & Mona	055-200-028-000	6/16/2014	Oppose sewer rate increase; senior citizen
Hansen, Lucille	004-133-001-000	6/16/2014	Oppose sewer rate increase 2014-2019
Classon, Thomas & Phyllis	055-200-030-000	6/16/2014	Oppose sewer rate increase 2014-2019
Parks, William & Sandra	055-200-012-000	6/16/2014	Oppose sewer rate increase; senior citizens
Kauffman, David & Cathleen	055-140-004-000	6/16/2014	Oppose sewer rate increase 2014-2019
Nordstrom, James & Ellen	004-062-022-000	6/16/2014	Oppose sewer rate increase 2014-2019
Petri, Ralph & Katherine	001-053-005-000	6/16/2014	Oppose sewer rate increase 2014-2019
Bezepez, Jerry & Christie	003-102-016-000	6/16/2014	Oppose sewer rate increase; included spreadsheet showing 28% Increase in 5 years
Nordstrom, James & Ellen	002-240-008-000	6/16/2014	Oppose sewer rate increase 2014-2019
Borg, Robert & Elizabeth	003-211-042-000	6/16/2014	Oppose sewer rate increase
Johnsen, Christopher and Caryl	051-390-001-000	6/16/2014	Oppose sewer rate increase
Jones, Willard & Deanna	076-480-042-000	6/16/2014	Oppose sewer rate increase
Stevens, Janice	003-061-016-000	6/16/2014	Oppose sewer rate increase
Williams, Rob	003-031-001-000	6/16/2014	Oppose sewer rate increase
Whaley, Sydney	040-550-009-000	6/16/2014	Oppose sewer rate increase
Munoz, Manuel	002-025-018-000	6/16/2014	Oppose sewer rate increase
Schneider, Linda	055-050-014-000	6/12/2014	Oppose sewer rate increase
Basque, Evon	055-150-049-000	6/12/2014	Oppose sewer rate increase
Hurling-Humiston, Laurie	052-370-026-000	6/12/2014	Oppose sewer rate increase (Not Connected to City Sewer)
Krasner, Ruth	076-350-013-000	6/12/2014	Oppose sewer rate increase (wrote twice, same parcel)
Basque, Keith & Carolyn	002-240-043-000	6/12/2014	Oppose sewer rate increase; tax has doubled since 2003.
Craig, Dale & Kellie	001-160-002-000	6/12/2014	Oppose sewer rate increase; retired & fixed income
Dasaro, Lynda & Bob	001-051-023-000	6/12/2014	Oppose sewer rate increase
Moore, Edward	055-310-008-000	6/12/2014	Oppose sewer rate increase
Osborn, Thomas	054-440-011-000	6/11/2014	Oppose sewer rate increase
Little, William	055-200-068-000	6/11/2014	Oppose sewer rate increase
Storrs, Anita	055-130-006-000	6/11/2014	Oppose sewer rate increase; no justification for increase
Basque, Keith & Carolyn	055-150-047-000	6/11/2014	Oppose sewer rate increase; fixed income, find another solution
Bennett, Donald	055-140-017-000	6/11/2014	Oppose sewer rate increase
Laumann, Mary Joan	004-072-012-000	6/11/2014	Oppose sewer rate increase 2014-2019
Classon, Eugene & Gloria	055-140-003-000	6/10/2014	Oppose sewer rate increase 2014-2019
Hart, Refina	055-140-031-000	6/10/2014	Oppose sewer rate increase 2014-2019
Fulweiler, Albert & Ann	002-210-015-000	6/9/2014	Oppose sewer rate increase
Thompson, Ray	001-082-010-000	6/9/2014	Oppose sewer rate increase; make do without it
Schlueter, Meredith	003-041-006-000	6/6/2014	Oppose sewer rate increase; economic hardship
Wisher, William & Ruth	055-280-005-000	6/3/2014	Oppose sewer rate increase
Crogan, Iyde	002-013-006-000	6/18/2014	Oppose sewer rate increase
Leash, Warren		5/19/2014	Oppose sewer rate increase

Name	Parcel #	Received	Summary
Webb, Natalie	040-410-066-000	5/16/2014	Oppose sewer rate increase
Edmonds, Naomi	055-130-010-000	5/14/2014	Oppose sewer rate increase; retired & fixed income
Hutchinson, Thomas	001-062-030-000	5/14/2014	Oppose sewer rate increase; fixed income
McAfee, Lucille	004-096-016-000	6/2/2014	Oppose sewer rate increase
McAfee, Lucille	004-061-012-000	6/2/2014	Oppose sewer rate increase
McAfee, James	004-082-008-000	6/2/2014	Oppose sewer rate increase
Kugelmann, Raymond & Marian	054-510-016-000	6/2/2014	Oppose sewer rate increase; common pipeline not best interest, unfair protest process
Henry, Irene	040-410-070-000	6/2/2014	Oppose sewer rate increase; no evidence this is needed
Portillo, Maria & Aguilar, Melvin	002-260-004-000	6/2/2014	Oppose sewer rate increase
Edmonds, Karen	054-231-038-000	6/2/2014	Oppose sewer rate increase; burden to rate payers
Ford, Larry & Sandra	003-200-028-000	5/30/2014	Oppose sewer rate increase; no reports of how money is being used
Roumage, Victor & Cecil	003-200-029-000	6/2/2014	Oppose sewer rate increase 2014-2019
Roumage, Victor & Cecil	003-200-030-000	6/2/2014	Oppose sewer rate increase 2014-2019
Utzig, Thomas & Sharon	040-410-066-000	6/2/2014	Oppose sewer rate increase; fixed income senior
Sampson, Richard & Joann	040-410-055-000	5/22/2014	Oppose sewer rate increase; no evidence this is needed
Mitchell, Ann	040-410-048-000	5/22/2014	Oppose sewer rate increase; no evidence this is needed
Ramirez, Bertha	001-072-011-000	5/22/2014	Oppose sewer rate increase (wrote 2 letters for same parcel)
Skinner, Warren	040-410-029-000	5/22/2014	Oppose sewer rate increase
Roberto, Diane	003-052-012-000	5/22/2014	Oppose sewer rate increase
Grice, Jerry & Marie	040-390-011-000	5/21/2014	Oppose sewer rate increase; no evidence this is needed
Oakham, James & Elizabeth	040-410-067-000	5/21/2014	Oppose sewer rate increase; rate already tripled in 8 years; new increase of 28%
Wheeler, Dolores	054-080-070-000	5/21/2014	Oppose sewer rate increase; no evidence this is needed
unknown	040-410-061-000	5/21/2014	Oppose sewer rate increase; no evidence this is needed
Skinner, Warren	040-410-028-000	5/20/2014	Oppose sewer rate increase; proposal is extreme and open ended
Smith, Susan	040-545-004-000	5/20/2014	Oppose sewer rate increase; effect on rental properties; leaves no disposable income for many
Beckley, Paul & Suzy	001-073-007-000	5/19/2014	Concerns for seniors on fixed incomes
Beckley, Paul & Suzy	001-103-028-000	5/19/2014	
Beckley, Paul & Suzy	001-082-001-000	5/19/2014	
Beckley, Paul & Suzy	001-103-019-000	5/19/2014	
Beckley, Paul & Suzy	054-060-008-000	5/19/2014	
Beckley, Paul & Suzy	003-031-004-000	5/19/2014	
Beckley, Paul & Suzy	054-034-019-000	5/19/2014	
Beckley, Paul & Suzy	003-193-008-000	5/19/2014	
Beckley, Paul & Suzy	001-081-027-000	5/19/2014	
Beckley, Paul & Suzy	002-210-026-000	5/19/2014	
Beckley, Paul & Suzy	002-210-027-000	5/19/2014	
Dye, Mary Anne	0440-410-071-000	5/19/2014	Oppose sewer rate increase; need to see accounting of funds
Hooton, George & Sharon	054-390-050-000	5/16/2014	Oppose sewer rate increase
Pond, Robert	002-154-020-000	5/16/2014	Oppose sewer rate increase; cost too high
Harris, Edward & Ian	054-022-009-000	5/14/2014	Oppose sewer rate increase
Losing, Anne	055-230-003-000	5/13/2014	Oppose sewer rate increase
Mattern, John & Frances	054-102-027-000	5/13/2014	Oppose sewer rate increase; senior citizen on fixed income; runaway costs at all levels of government
Sharp, Kay & Larry	040-410-023-000	5/12/2014	Oppose sewer rate increase; retired & fixed income
Renner, Joan	004-042-007-000	5/12/2014	Oppose sewer rate increase
Knox, John & Marlene	055-300-014-000	5/12/2014	Oppose sewer rate increase
Buttke, Helen	003-191-006-000	5/12/2014	Oppose sewer rate increase; home decreased in value
Sheets, Kathleen	003-104-006-000	5/12/2014	Oppose sewer rate increase
Meeth, Glenn & Tanya	003-211-016-000	5/12/2014	Oppose sewer rate increase

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Name	Parcel #	Received	Summary
Meeth, Glenn & Tanya	003-092-014-000	5/12/2014	Oppose sewer rate increase
Nicosia, Joseph & Georgie	055-140-009-000	6/17/2014	Oppose sewer rate increase 2014-2019
Vessely, James	001-150-061-000	6/17/2014	Oppose sewer rate increase
Wilson, Maureen	004-350-012-000	6/17/2014	Oppose sewer rate increase 2014-2019; should be based on usage
Maneter, Richard & Nancy	003-076-030-000	6/17/2014	Oppose sewer rate increase
Gullett, Thomas & Cristina	042-120-009-000	6/17/2014	Oppose sewer rate increase
Catalano, Dorothy	054-510-002-000	6/17/2014	Oppose sewer rate increase; continuous increases since 2007
Allen, Charlie Mae	055-260-016-000	6/17/2014	Oppose sewer rate increase; too many increases; try other ways other than increased tax
Mark, Joan	055-060-018-000	6/18/2014	Oppose sewer rate increase
Danforth, Gayle	004-350-028-000	6/18/2014	Oppose sewer rate increase
Teffeteller, L	051-260-067-540	6/18/2014	Oppose sewer rate increase
Easton, J	051-270-005-540	6/18/2014	Oppose sewer rate increase
Marshall, Raymond	004-072-027-000	6/18/2014	Oppose sewer rate increase
Hill, Margaret	002-051-008-000	6/18/2014	Oppose sewer rate increase; strict budget economic hard times